

Bus Reform Consultation Response Report

Appendix – Key Stakeholder Consultation Responses

Executive summary

This report details the verbatim responses from key stakeholders (also known as statutory consultees) when asked to provide their views on the Bus Reform Assessment in the Cambridgeshire and Peterborough Combined Authority (CPCA).

The Bus Services Act 2017 mandates that authorities must consult with a number of key stakeholders, including local bus operators and representatives of employees, local authorities who would be affected by the proposed scheme, traffic commissioner, chief officers of police of areas to which proposed scheme relates, Transport Focus (the Passengers’ Council) and the Competition and Markets Authority. The authority also have the freedom and flexibility to consult other individuals or bodies they consider appropriate.

Below is the full list of key stakeholders who responded to the consultation and how their method of response:

Table 1-1: List of key stakeholders who responded to the consultation and their method of response

Key Stakeholder	Category	Response Method
Bus Service Campaign	Bus User/Campaign Group	Short questionnaire
Bus Users UK, The Light Rail Transit Association	Bus User Group	Short questionnaire
Cambridge City Council	Constituent Local Authority	Email response
Cambridgeshire County Council	Constituent Local Authority	Email response
Cambridgeshire Families for Sustainable Travel	Bus User/Campaign Group	Short questionnaire
Cambridgeshire Sustainable Travel Alliance	Bus User/Campaign Group	Short questionnaire via email
Campaign for Better Transport	Bus User/Campaign Group	Short questionnaire
Community Transport Association	Representative of CT operators	Long questionnaire
Confederation of Passenger Transport	Representative of bus companies	Long questionnaire via email
Delaine Buses Ltd	Local Bus Operator	Long questionnaire
East Cambridgeshire District Council	Constituent Local Authority	Long questionnaire
England’s Economic Heartland	Sub-regional Transport Authority	Short questionnaire via email
Fenland District Council	Constituent Local Authority	Report via email
First Bus	Local Bus Operator	Long questionnaire
Lincolnshire County Council	Neighbouring Local Transport Authority	Long questionnaire

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Key Stakeholder	Category	Response Method
Office of the Police & Crime Commissioner	Emergency Services	Short questionnaire
Peterborough City Council	Constituent Local Authority	Long & short questionnaires
Ron W Dew & Sons Ltd / Dews Coaches	Local Bus Operator	Long questionnaire
Stagecoach	Local Bus Operator	Long questionnaire via email
Stephensons of Essex Ltd	Local Bus Operator	Long questionnaire
South Cambridgeshire District Council	Constituent Local Authority	Email response
Suffolk County Council	Neighbouring Local Transport Authority	Long questionnaire
The Go-Ahead Group	Bus Operator	Long questionnaire
Transdev	Bus Operator	Long questionnaire
Transport Focus	Passenger Group	Short questionnaire via email
Transport UK	Bus Operator	Long questionnaire via email
Whippet	Local Bus Operator	Long questionnaire
Wittering, Wansford, Castor & Ailsworth Bus Campaign Group	Bus User /Campaign Group	Short questionnaire

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1. Bus Service Campaign

Please find answers to the short questionnaire below.

What is the name of your business or organisation?

Bus Service Campaign

What is your position/title?

Chair Wittering Parish Council

S1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: The new 27 route is working well. We could do with some later services to Stamford.

S2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: I agree that reforming the bus service is appropriate.

S3: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A3: Anything that improves value for money is good

S4: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A4: No comment.

S5: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A5: No comment.

S6: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A6: No comment.

S7: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A7: No comment.

S8: To what extent do you support or oppose the introduction of the proposed Franchising Scheme?

A8: Tend to support

S9: Are there any changes that you think would improve the proposed Franchising Scheme?

A9: No comment.

S10: Do you have any further comments?

A10: No.

2. Bus Users UK, The Light Rail Transit Association

Please find answers to the short questionnaire below.

What is the name of your business or organisation?

Bus Users UK, The Light Rail Transit Association

What is your position/title?

LRTA Campaigns Officer for the Cambridge area

S1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: Currently no better than that of a Third World Country.

S2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: I wholeheartedly agree.

S3: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A3: Again, I wholeheartedly agree.

S4: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A4: Agreed.

S5: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A5: Go for it!

S6: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A6: I will read through them later today.

S7: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A7: It's much better than the current arrangements.

S8: To what extent do you support or oppose the introduction of the proposed Franchising Scheme?

A8: Strongly support.

S9: Are there any changes that you think would improve the proposed Franchising Scheme?

A9: None that I can think of.

S10: Do you have any further comments?

A10: None.

3. Cambridge City Council

Please find the email below:

CAMBRIDGE CITY COUNCIL RESPONSE TO THE CAMBRIGESHIRE & PETERBOROUGH COMBINED AUTHORITY BUS FRANCHISING CONSULTATION

Cambridge City Council welcomes the work undertaken by the Combined Authority to bring forward these proposals. The Council is broadly supportive of the proposals, given the conclusions of the Assessment.

Cambridge City Council recognises the challenges presented by the current arrangements and welcomes proposals for a franchising scheme that would provide greater democratic and public control over bus services including routes and ticketing.

The Council is of course particularly keen to see improved bus services to and within Cambridge. Many people in the city who either cannot afford to run a private car, or who wish to travel by cleaner and more sustainable methods, rely on buses or would use them more if they were a more attractive option.

People need regular, reliable and affordable connection to vital services including education and training, healthcare, employment, open spaces, leisure, retail and other essential services.

This is particularly important for groups who are more likely to experience social isolation, people on low incomes and those eligible for concessionary fares, people with disabilities or caring responsibilities, young people aged under 25 who need to travel before 9:30am, the elderly and those with young families.

Cambridge's communities have also seen bus services chopped and changed too frequently, with residents in some parts of the city left feeling disconnected from amenities and services in other parts of the city and its hinterland.

It will be important that bus services are accessible to people with disabilities; and affordable. And that there are suitable complementary arrangements in place for people for whom, for whatever reason, buses are unlikely to meet their needs.

Cambridge City Council is particularly keen to see a rapid transition of the bus fleet to low or zero carbon vehicles and understands that franchising is likely to offer the most rapid and certain route to that outcome, reducing pollution and contributing to climate change mitigation.

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As identified in section 7.99 of the consultation document, it will be key that emission limits are integrated into the service specifications set out by the combined authority as part of the franchise contracts. This will enable the transition towards zero emission buses by 2030.

Of course, the Council recognises the risks and challenges associated with the scale of change envisaged. The Combined Authority will want to assure itself that it has or will have the capacity and capability to manage the transition, and the ongoing management of bus services in the future. We will be keen to understand more about how this can be assured, and how the operational management will be delivered.

We look forward to better bus services for the people of Cambridge and will be keen to support this in whatever way is possible within our powers and resources.

ENDS

4. Cambridgeshire County Council

Please find the email response below.

Combined Authority Bus Reform Consultation

Cambridgeshire County Council is pleased to respond to this consultation and is supportive of the Mayor's aspirations to improve public transport and connectivity across the area.

Following the 2018 Strategic Bus Review, the Cambridgeshire and Peterborough Combined Authority (CPCA) published a notice of its intention to investigate bus franchising in 2019. The Cambridgeshire and Peterborough Combined Authority adopted its Local Transport and Connectivity Plan (LTCP) and its Bus Strategy in 2023. A key element of the LTCP is to reduce the level of car journeys in Cambridgeshire and Peterborough with a target to reduce car miles by 15%. The Bus Strategy aims to double the number of bus journeys and will enable travel by bus to become an attractive and viable travel option to many people who live and work in Cambridgeshire.

The County Council declared a climate emergency in 2019. Improvements to bus services and active travel will help achieve the Independent Commission on Climate's recommended reduction in car miles driven by 15% by 2030 as well as the Council's ambition to achieve net zero carbon emissions by 2045. The Council strongly supports improvements to the bus network to help achieve these targets and contribute to achieving the Council's Strategic Ambitions, particularly:

- Ambition 1: Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate change
- Ambition 2: Travel across the county is safer and more environmentally sustainable
- Ambition 6: Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised
- Ambition 7: Children and young people have opportunities to thrive

Continuing with the current operating model for bus services across Cambridgeshire and Peterborough is unlikely to deliver the substantial increases in bus patronage sought. The way that buses are currently managed and operated, where private companies decide where and how often to run buses, gives the CPCA and its partners limited ability to influence the bus network. About 88% of bus mileage in Cambridgeshire and Peterborough is operated on a commercial basis by operators, where they have control over their routes, timetables, ticket options, fares, frequency and service standards. The consultation states that franchising is the best way to achieve the change needed and seeks views on that proposal.

The 2024 Cambridgeshire County Council Quality of Life survey asked what one thing the Council could do to improve residents' quality of life. Responses given were broad but the most mentioned issue that was largely outside of the Council's remit was improvements to bus services, including providing greater frequency, greater coverage to include rural areas, more reliable and consistent and cheaper fares. This issue was also raised in the 2023 survey quality of life survey.

Despite strong performance of the Busway and Cambridge Park & Ride, Cambridgeshire saw passenger reductions of 6%, accounting for one million fewer journeys between 2014/15 and 2018/19. Bus use was dramatically affected by the COVID-19 pandemic, with lasting changes in lifestyles and travel behaviours.

The slow decline in bus service provision in recent decades has had a significant negative impact on the travel choices for many people across Cambridgeshire, with rural areas being particularly impacted by bus service withdrawals over many years. People living in these areas are therefore more dependent on travel by private car which has wider negative impacts on the environment and people's health and wellbeing. With 16.9% of Cambridgeshire households without a car or van (Census 2021), it is important that alternative sustainable modes of travel are available across the county to give equal opportunities and quality of life to all residents.

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Congestion impacts many road users, including bus users, pedestrians, cyclists and car users. On average, 20% of bus services run late, in large part due to congestion. This highlights the importance of tackling congestion to providing a more reliable bus network. Some bus services are unreliable, infrequent or lacking geographical coverage to meet the needs of people travelling in and around Cambridgeshire. If the Combined Authority and Council are to undertake measures to provide for greater reliability of bus services, it is critically important that services are available to take advantage of this to provide for the increases in trips that are sought. Bus reform would provide a route to achieve this.

The Council believes that the decline in bus use, congestion, the requirement to meet net zero targets, planned growth and the need for greater financial support from the public sector shows that changes to bus services as well as reduced congestion is required to deliver ambitions for an improved bus network in Cambridgeshire to better meet the needs of bus passengers, achieve the Council's strategic ambitions and support planned growth.

The Council therefore supports bus reform for Cambridgeshire to give greater control and influence over the shape and stability of the network, and the ability to ensure service connections and integrated fares and ticketing.

The Council would like to highlight the following points:

- Initial consultation on the operation of the franchising scheme is expected within 24 months. The Council would like to be consulted as part of this process and to be fully engaged as part of the development of any further, more detailed proposals.
- The Council secures Section 106 contributions towards bus services from developers as part of planning agreements, where this is required to mitigate the impact of a new development. The Council would like clarity on how these arrangements would work under franchising.
- The Council recommends that the CPCA ensures it secures access to the required level of resource and expertise to complete the contractual requirements of franchising in a timely manner.
- The Council would like to understand the processes that would be in place for reviewing, monitoring and quality control of services that would operate under any proposed franchising arrangements.
- The consultation acknowledges that an enhanced bus network with greater connectivity and availability could be achieved under either an Enhanced Partnership or Franchising. We look forward to a preferred model being developed by the Combined Authority which will detail how the existing and future Busway / Park and Ride services and facilities are included in or integrated with a franchised network.
- Net zero and air quality - The Council strongly supports high environmental standards of buses, including support for electric vehicles, alternative fuels (where appropriate) and the move to a zero-emission fleet. The consultation states that it is likely that the provision of such vehicles will be included in the contract specifications. The Council believes this is of utmost importance to meet its net zero carbon target by 2045 as well as local air quality targets.
- Specification of buses – the Council agrees that high quality, modern vehicles should be specified. This should include the following on-bus equipment:
 - CCTV (internal and external facing)
 - Automatic vehicle location and the ability to supply the necessary feeds for real time information displays
 - A form of direct communication with the driver
 - On-bus audio-visual announcements
 - USB charging points at all seats

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- Driver and vehicle monitoring equipment (to encourage good driving standards) Ticketing – the Council strongly supports the introduction of a multi-operator ticketing system as well as contactless payments across the bus network. This should include Busway and Park and Ride in any franchise or other model.
- Greater Cambridge Partnership (GCP) public transport schemes – the Council would like clarification on how franchising would impact on future GCP schemes such as Cambourne to Cambridge, and Waterbeach to Cambridge and would welcome a discussion at the appropriate time.
- Shared Transport / Demand Responsive Transport (DRT) / Community Transport – The Council would support the expansion of shared transport as part of the introduction of Franchising, including the investigation of taxi schemes and DRT.
- Young person’s bus passes (Tiger pass) – the Council supports the continuation of the young person’s bus pass under the Franchising system.
- Rural bus services – The Council strongly believes that the introduction of franchising should be used as an opportunity to dramatically improve rural bus services in terms of geographical coverage, days of operation, frequency and timings of services.
- Bus stops/infrastructure – The Council supports the widespread improvement of bus stops across Cambridgeshire and Peterborough, with the provision of covered seating/waiting areas, lighting, raised kerbs and real time information. The provision of £10m for bus infrastructure is welcomed. Consideration should also be given to future maintenance liability and how this is funded.
- The consultation document says the CPCA will provide two bus depots in Cambridge and one in Peterborough (in addition to those depots owned and/or used by bus operators). The Council looks forward to receiving more information on potential locations, highway and transport impacts, noise pollution and planning issues when available. The Council understands that these depots are to be delivered by the public sector and not by potential franchisees. Further discussion about how these are to be delivered would be welcomed at the appropriate time.

In summary, the County Council is supportive of the proposals for bus reform and looks forward to working with the Combined Authority on the further development of the proposals.

5. Cambridgeshire Families for Sustainable Travel

Please find answers to the short questionnaire below.

What is the name of your business or organisation?

Cambridgeshire Families for Sustainable Travel

What is your position/title?

Volunteer

S1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: Discussions with both our members and the general public show that bus services are not performing well in Cambridgeshire and Peterborough.

The network is not focussed on meeting our needs with low frequency, short operating hours, and convoluted routes the norm. Reliability and punctuality are poor, primarily due to congestion. These issues combine to mean that families with prams cannot board overcrowded services and students must wait an hour earlier to ensure that they can get onto a bus to college.

Costs can be high and where journeys need to be broken costs spiral higher. The complications of ticketing systems within and between each operator causes delays with boarding and costs people money unless they have studied the options carefully.

Very few places have a bus service that allows you to live a full life without a car. This isolates those who do not or cannot drive, particularly among the young, the old, and those with disabilities. It starves these people of independence and opportunity. For others, it forces them into the high cost of car ownership with the ensuing congestion, air pollution, and climate breakdown that this then entails.

For young people across Cambridgeshire the choice of buses can directly impact options for work, training and education. One young adult reported to us that they had been unable to undertake a nursing apprenticeship at Addenbrookes because of the lack of a bus service. This has had a direct detriment to their life chances, as well as starving our future NHS of a nurse.

Our bus system is directly inhibiting the opportunities and strength of communities and must be reformed.

S2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: We strongly support bus market reform and strongly favour a Franchising model over an Enhanced Partnership, as this would allow the Combined Authority to plan the bus network around the needs of it's populace, rather than leaving us to the whims of the market.

Franchising is the only option that would ensure that the Combined Authority can ensure that people are properly connected to colleges, hospitals and other public services and that this is a stable network that can be relied upon into the future. An enhanced partnership risks a limited degree of control from the Combined Authority, which will result in a poorer network and less accountability.

S3: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A3: Investment in buses delivers economic benefits many times over through the associated opportunity, health and career benefits that we would all enjoy. We strongly support bus market reform and favour franchising, as the model that brings greater benefits including better value for money.

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S4: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A4: Franchising is the only option that will give the Combined Authority the control required to deliver a strong bus network that is designed to ensure that our communities are well served. Long term there is considerable risk from an Enhanced Partnership model as renegotiations will be required that may still result in cuts to services that could prevent students being able to get to college, and cut others off from workplaces, healthcare and other vital services. Through Franchising, any reduced services would be a deliberate choice that the Combined Authority could be held accountable for.

The increased speed of implementation from enhanced partnership is not a good reason to choose a worse long term option. Any commercial risks to the Combined Authority through Franchising could be mitigated through a “Jersey Style” scheme where risk and reward are shared with operators.

S5: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A5: Whilst Franchising may bring more financial risk to the Combined Authority, the documentation makes clear that both options are affordable. What’s more, we would argue that the risk of inaction or the limited action of an enhanced partnership poses a far greater risk to Cambridgeshire and Peterborough. Inadequate and declining bus services that do not serve the needs of actual or potential users must be dealt with and Franchising is the strongest option to deal with it.

We would also add that investment into bus depots, as is already underway in Peterborough, should be welcomed. By making it easier for operators to bid for routes it will increase competition and deliver greater value for money, as well as supporting operators to transition to electric buses, reducing air quality and emissions across the area.

S6: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A6: Franchising delivers more control to the Combined Authority and this would be reflected in a greater level of responsibility. The consultation clearly outlines the considerations of how the Combined Authority would manage this transition and demonstrate that this can be delivered successfully.

The level of transition for the Combined Authority and delay in implementing an enhanced partnership is smaller, but more uncertain and less efficient, in that it places more responsibility on various bus operators.

The greater benefits of the Franchising model in terms of the improved and stable long term network that it could deliver make it the best option. There are management risks, but these have been laid out and can clearly be mitigated.

S7: The Combined Authority’s draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A7: Our current bus system restricts some people’s life chances more than others and therefore transforming the bus network will particularly benefit younger people, older people, women and disabled people. This places a strong moral case on the Combined Authority to act in the way that will create the largest benefit and do the most to reduce inequalities.

The Combined Authority will be able to transform the bus network to a greater extent under franchising than an enhanced partnership.

S8: To what extent do you support or oppose the introduction of the proposed Franchising Scheme?

A8: Strongly support

S9: Are there any changes that you think would improve the proposed Franchising Scheme?

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A9: Conditions on bus operators must include appropriate provision of pram space on buses.

The independence and opportunities of young people must be prioritised in the design of a bus network.

S10: Do you have any further comments?

A10: The Combined Authority should consider the lived realities of families when considering bus routes, and provide options that truly provide for their transport needs. For example, bus routes should integrate with other forms of sustainable transport. They should serve train stations and be timetabled to minimise waiting periods. Bike parking should be provided at bus stops and connections with key active travel routes should be made.

We attach some contributions to the consultation we collected from children.

https://cpca-yourvoice.co.uk/wp-content/uploads/gravity_forms/6-1f547e02ac591f90cc028738de6b2ac8/2024/11/IMG_0461.JPG

https://cpca-yourvoice.co.uk/wp-content/uploads/gravity_forms/6-1f547e02ac591f90cc028738de6b2ac8/2024/11/IMG_0459.JPG

6. Cambridgeshire Sustainable Travel Alliance

Please find answers to the short questionnaire below.

What is the name of your business or organisation?

Cambridgeshire Sustainable Travel Alliance

What is your position/title?

Sarah Hughes, Campaign Officer

S1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: As the most affordable and accessible form of public transport, buses are vital for enabling people to access employment, education and training, get to the shops, socialise, and take part in leisure activities. According to research by the University of Leeds, on behalf of Friends of the Earth, however, the region's bus services have declined by nearly 60% over the period 2008 to 2023. Routes have been withdrawn, there are fewer services per day, and buses don't always run in the evening and at weekends. Some parts of the region have fared much worse than others. Of all local authorities across England and Wales, Fenland experienced the second-largest decline in services. In addition, Peterborough, East Cambridgeshire and Huntingdonshire have experienced steep reductions.

Confidence in bus services is also low. 44% of non-Park&Ride bus users Cambridgeshire Sustainable Travel Alliance surveyed in 2023 described their bus services as late or unreliable. The cuts and unreliability have devastating impacts, as bus passengers often depend on the bus to get around (around half of people we interviewed would not have made their journey without the bus).

S2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: Buses in Cambridgeshire and Peterborough are in long-term decline. A significant change in how they are managed is required to turn this around, together with increased investment. Both an enhanced partnership and franchising would bring benefits. Franchising would be the better option though, as unlike an enhanced partnership it would enable the Combined Authority to plan the entire bus network (ending sudden bus cuts and allowing it to establish a network that better meets communities' needs, if necessary by engaging new operators) and to control how public funds for bus services are invested locally (so money invested in buses is spent more effectively and efficiently). In contrast, the outcome of an enhanced partnership is not guaranteed; it is dependent on successful negotiations with the region's current bus operators.

S3: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A3: Research consistently shows that investing in buses supports jobs and helps grow local economies, as well as providing a host of wider benefits, such as improving health and quality of life, and reducing congestion. It is therefore no surprise that the economic case shows that transforming Cambridgeshire & Peterborough's bus services is excellent value for money. Investing in either franchising or an enhanced partnership would be excellent value for money, but franchising brings greater benefits in every category considered.

S4: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A4: While an enhanced partnership would potentially be quicker to implement, only bus franchising will give the Combined Authority proper local control of the bus network and create competition among operators for the bus

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market. Of the two options under consideration, franchising alone would allow the Combined Authority to invest precious bus funding in a way that generates the best results for local communities over the long-term.

Bus franchising will increase commercial risk for the Combined Authority to a greater extent than an enhanced partnership. However, the Authority's proposal for a 'Jersey-style' franchising model that shares risk and reward more equally between operators will mitigate this risk, while also incentivising bus companies to operate high quality services that are attractive for passengers.

S5: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A5: The Combined Authority has determined that the level of investment required to bring about either bus franchising or an enhanced partnership is affordable.

While changing the way buses operate involves investment which carries a financial risk, the risks of not proceeding are greater. The region's bus network has already declined sharply, and the current operating system constrains the Combined Authority's ability to turn the situation around. At present the lack of a proper bus network leaves people isolated and struggling to access employment and education, or reliant on the car, increasing motor traffic levels, which makes it hard for everyone to get around.

Given that franchising will produce greater benefits for local communities, the additional investment to adopt this operating system is worthwhile. Only under franchising will the Combined Authority have sufficient control over the bus network and how public funds for buses are invested to be able to halt disruptive bus cuts and plan routes and services that better meet communities' needs.

Investing in bus depots (which is already underway in Peterborough) is worthwhile, as it will allow more operators to bid to run services for the Combined Authority, increasing value for money. It will also enable the transition to zero emission buses, which will benefit the region in the long run.

S6: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A6: Although the Combined Authority would need to adapt to a greater degree, and it would take longer to implement franchising, the Management Case demonstrates that it has considered the issues involved and can manage the transition and deliver this option successfully.

A franchised (fully contracted) system would be better 'future-proofed' to provide new services as the region develops, and not be dependent upon continual negotiations with bus companies, as would be the case under an enhanced partnership. The outcome of enhanced partnership negotiations could not be guaranteed to deliver the required benefits for local communities.

S7: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A7: Transforming the bus network will particularly benefit younger people, older people, women and disabled people. The Combined Authority will be able to transform the bus network to a greater extent under franchising than an enhanced partnership.

Under franchising, the Combined Authority can insist that all buses have features needed to improve bus travel for some groups with protected characteristics such as CCTV and audio-visual stop announcements, whereas it can only recommend these to operators under an enhancement partnership, whilst awaiting the slow rollout of national legislation.

Under franchising, the Combined Authority would run customer services for buses and provide better, more consistent customer information, making buses easier to use, which would benefit some groups with protected characteristics. Under an enhanced partnership the responsibilities for passenger information and customer

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service would be subject to negotiated agreements between bus operators and the Authority. Only franchising can guarantee a 'one-stop-shop' for passenger information, customer service and complaints resolution.

Under franchising, there would be the same ticket options across the whole region set by the Combined Authority, making tickets easier to understand, which would benefit some groups with protected characteristics. This could not be guaranteed under an enhanced partnership.

S8: To what extent do you support or oppose the introduction of the proposed Franchising Scheme?

A8: Cambridgeshire Sustainable Travel Alliance STRONGLY SUPPORTS the introduction of the proposed franchising scheme.

S9: Are there any changes that you think would improve the proposed Franchising Scheme?

A9: Cambridgeshire Sustainable Travel Alliance has no specific suggestions here.

S10: Do you have any further comments?

A10:

- The Combined Authority is planning to invest £10 million in measures to make buses flow more freely and reliably in urban areas. It is essential that this goes ahead. The Combined Authority should also lobby for other measures that would reduce congestion and enable buses to progress freely in urban areas, such as a Workplace Parking Levy.
- The Combined Authority is planning a programme of improvements to bus stops and shelters to improve the experience of waiting for buses (ahead of national guidance on bus stop accessibility, the Combined Authority should draw up its own). It is essential that this goes ahead to improve accessibility, comfort and safety for passengers, and improve the image of bus travel.
- The transformation brought about by bus reform, and bus franchising in particular, would greatly benefit people on lower incomes (who are not considered in the draft EqIA), as they are more likely to miss out on life opportunities and/or be obliged to spend a substantial percentage of their income on running a private car due to lack of alternative transport options.
- The Combined Authority should ensure buses integrate much more seamlessly with other forms of sustainable transport, making sustainable travel a more viable and attractive option for more people. Under franchising, the Combined Authority could better align transfers between coordinating bus and train services and introduce secure cycle provision at travel hubs.

7. Campaign for Better Transport

Please find answers to the short questionnaire below.

What is the name of your business or organisation?

Campaign for Better Transport

What is your position/title?

Policy & Research Manager

S1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: Bus services in Cambridgeshire and Peterborough are crucial for mobility, yet they currently fall short of meeting community needs. Despite increased funding, service reliability, frequency, and coverage are inconsistent. Many residents express frustration with inadequate routes and scheduling that do not align with their daily requirements. Although the council managed to find a new operator to run 17 out of the 18 bus routes removed by Stagecoach East until the end of March 2024. Many residents are unhappy with the frequency and current level of service that they are receiving, with several revealing that some scheduled buses never turn up. Taking the bus at peak times can take a third longer than at off-peak times. To truly serve the public, significant improvements are necessary.

Bus services in Cambridgeshire and Peterborough have seen significant usage, with over 24 million journeys annually. However, many residents report issues with punctuality and service frequency. For instance, in areas such as Peterborough, the lack of evening and weekend services limits access for those working non-traditional hours. Additionally, many rural areas still experience gaps in service, making it difficult for residents to reach employment, education, and healthcare.

S2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: Reforming the local bus market is essential to address ongoing challenges, including service reliability and accessibility. The current deregulated system has led to fragmentation, with private operators prioritising profitability over comprehensive service delivery. A shift to a franchised model would allow for coordinated planning and a focus on community needs, fostering a more effective bus network.

The need for reform is evident in the declining bus patronage in recent years, even with increased funding. For example, in rural Cambridgeshire, towns such as Whittlesey have struggled with infrequent services. A franchising model would enable the Combined Authority to prioritise these underserved areas, ensuring that bus services meet community needs.

S3: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A3: We concur that the franchising model offers better value for money compared to the enhanced partnership. By allowing the Combined Authority to set fares and standards across all services, franchising can drive efficiency and accountability, ultimately enhancing user experience and attracting more passengers. The evidence of higher Net Present Value (NPV) and Benefit to Cost Ratio (BCR) in franchising re-inforces this viewpoint.

The independent assessment indicates that franchising could lead to higher performance metrics. Given that the current investment of over £12 million annually has not yielded the necessary improvements, franchising would allow for a more coordinated approach to fare setting and service standards, ultimately enhancing cost-effectiveness and passenger satisfaction.

S4: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A4: Franchising provides a structured framework that can better align with the Combined Authority's commercial objectives. With greater oversight of routes and services, the Authority can ensure that all operators meet performance standards, thus enhancing overall service quality. The competitive bidding process also opens up opportunities for diverse operators, fostering innovation.

Franchising would allow the Combined Authority to align services with its commercial objectives effectively. By controlling all routes and setting performance standards, the Authority could ensure that operators such as Stagecoach and Whippet adhere to consistent quality levels. This structured oversight can enhance service reliability and encourage innovation among operators, creating a more competitive environment.

S5: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A5: While there may be an increased financial risk associated with franchising, we believe the potential benefits justify this risk. By taking control of the network, the Combined Authority can optimise service delivery and increase passenger numbers. Pro-active risk management strategies will be vital to navigate these challenges. If managed effectively, increased bus use could generate additional fare revenue, helping to offset initial risks. It is also essential that the Cambridge Sustainable Travel Zone is implemented, as it is expected to increase public transport use by 40 per cent and provide the revenue needed to invest in bus services and infrastructure. Implementing a robust financial oversight framework will be crucial in ensuring that the Combined Authority can adapt to challenges while maximising the benefits of this model.

S6: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A6: The plans for managing the bus network under both models reflect a clear understanding of the complexities involved. Careful planning and phased implementation can mitigate potential disruptions. The management strategies outlined for both franchising and enhanced partnership indicate a considered approach to network governance. The franchising model's centralised management would streamline operations, allowing for quicker responses to issues such as service disruptions. However, the transition may require training for staff within the Public Transport Team to equip them with the skills needed for effective network management.

S7: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A7: The draft Equality Impact Assessment identifies potential benefits and challenges for individuals with protected characteristics. For instance, ensuring accessible transport for disabled users is vital, especially in areas with historically poor access, such as certain areas in Cambridge. Engaging with local advocacy groups during implementation can ensure that services are designed to meet the diverse needs of all users.

S8: To what extent do you support or oppose the introduction of the proposed Franchising Scheme?

A8: Strongly support

S9: Are there any changes that you think would improve the proposed Franchising Scheme?

A9: To improve the proposed franchising Scheme, we recommend incorporating mechanisms for ongoing stakeholder engagement, particularly with passengers and local communities. This will ensure that the system remains responsive to the evolving needs of the public. Additionally, consider integrating digital ticketing solutions for greater convenience. Given the region's ambitions to double bus usage by 2030 and reduce car dependency, a coordinated approach is necessary. Franchising would create a cohesive bus network, enhancing connectivity across towns and rural areas, ultimately encouraging more residents to use public transport.

S10: Do you have any further comments?

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A10: Overall, we believe that the franchising model offers a promising route to revitalise bus services in Cambridgeshire and Peterborough. Continued investment in public transport infrastructure, the Sustainable Travel Zone, along with effective communication and community involvement, will be crucial in achieving long-term success. We look forward to seeing these proposals advance.

8. Community Transport Association (CTA)

Please find answers to the long questionnaire below.

What is the name of your business or organisation?

Community Transport Association

What is your position/title?

National Development Manager

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: No.

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: No.

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: No.

L4: Do you have any comments on the Combined Authority's overall objectives, as set out in the Strategic Case?

A4: No.

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: No.

L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

A6: "There is inadequate explanation or consideration for how the introduction of both alternatives will impact community transport.

As of 2021, the combined authority provided approximately £260,000 per annum in funds to community transport providers. Community transport operators are highly reliant on local government funding, we know from the recent Mapping England report that 62% of community transport operators rely on local authority funding. We question whether community transport would be able to maintain their current influence, and subsequently this level of funding under a changed system.

If an enhanced partnership is pursued, we would recommend that community transport has voting rights. If the community transport operators are too numerous, we would recommend the creation of a community transport alliance, similar to VCSE alliances within the NHS trusts, that could feedback to the group and vote."

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: No.

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L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: No.

L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

A9: "We welcome the stated exception for Section 22 providers. However, we are concerned as to whether Section 22 providers will be included within discussions about bus services more broadly.

We also question whether an exception for Section 19 providers should be introduced as an additional exemption. Section 19 providers can operate bus services that are not open to the public and may be put at risk without an explicit exception."

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: No.

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: No.

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: No.

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: "For the benefit of community transport providers, it is important to consider within contracting, a social value element. Community transports generally, offer immense social value to the communities they serve. They do this by supporting those with access needs, providing services to underserved communities, and assisting their local health services. When calculating social value, community transports specific benefits should be considered.

Research by Social Value Portal shows that taking into consideration social value, has led to a 20% value add relative to contract value. Councils across the UK consider social value when contracting, with councils generally applying 10% - 30% social value weighting.

Commonly social value is created by companies through a mix of actions such as providing apprenticeships or hiring unrepresented groups. We would suggest that for the benefit of community transport, social value explicitly encourages donation or cooperation with community transport. For example, a large provider could grant a community transport use of their depots, contribute to a community transport fund or donate older vehicles to the CTs.

We support the introduction of a range of lot sizes ranging from 1 to 60 buses as it allows community transport operators to engage. We also appreciate the limits on smaller contracts being given to larger providers, as it insures a protected market for smaller bus operators and community transport.

Community transport could also benefit from there being dedicated support to aid them with bidding, particularly those new to contracting.

Community transport providers also have a significant challenge with their capacity to deal with administrative tasks. A low administrative burden will allow more community transport operators to engage with the franchising scheme."

L14: Do you have any comments on the approach to bus depots under Franchising?

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A14: Community Transports are known to struggle with the storage of vehicles, and access to high-speed EV charging equipment. If the bus companies, or the authority could offer space to community transports to share their depots, it would encourage community transport providers to expand and contribute positively to the authority's climate action plan.

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: "Community transports historically have not received government subsidies for electric vehicles through previous schemes such as ZEBRA. Any requirements to have electric vehicles or to move towards electric vehicles should take into consideration this historical imbalance.

Additionally, community transports tend to have older vehicles, this must also be taken into consideration.

It is also important to consider the significant costs that maintaining network livery would have on community transports. According to Transport for Greater Manchester, an estimated £6,000 to £7,000 per vehicle was spent on livery changes for their franchising scheme. This is a significant cost for community transports. An exemption for community transport operators or subsidy would make community transport operators more likely to engage with franchising."

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: No.

L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: We would suggest that community transport operators are specifically consulted on how well the franchise is operating.

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

A18: No.

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A19: No.

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: "We welcome the stated exception for Section 22 providers. However, we are concerned as to whether Section 22 providers will be included within discussions about bus services more broadly.

We also question whether an exception for Section 19 providers should be introduced as an additional exemption. Section 19 providers can operate bus services that are not open to the public and may be put at risk without an explicit exception.

Community transport operators would explicitly not have voting rights despite being beneficiary of several national government schemes that target both the bus and community transport sector. We would suggest giving community transports a vote. If there are too many individual community transport groups, then we would recommend giving them a vote through a single community transport alliance representative."

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole

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network and there would be more reliance on negotiation with bus operators. Do you have any comments on this?

A21: No.

L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: No.

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: No.

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: Government grant funds have previously come through schemes that included funding for community transport. As “government grant funds” has not been totally expanded upon we question whether we can be certain that community transport operators will continue to be considered for these funds.

L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: No.

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: We believe that if the combined authority is going to be expanding their capacity, they should consider strengthening the role a community transport officer who works to support and develop the community transport operation throughout Cambridgeshire and Peterborough.

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: There is currently no meaningful consideration for the position of community transport within franchising as a partner not necessarily involved in franchising directly. We would encourage the combined authority to consult with community transports about their future as a stakeholder within the transport network.

L28: The Combined Authority’s draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A28: Without proper consideration for the position of community transport operators, they could suffer from decreased funding. This would have significant impact on those with mobility issues who cannot regardless of franchising outcomes access regular public transport. We have been working with several operators to survey passengers and interim results show that most passengers either would not travel without the community transport they were using when surveyed, or would be reliant on taxi services, which may be more expensive or have less availability, especially in rural areas. We would encourage the combined authority to consult with community transports about their future as a stakeholder within the transport network.

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

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A29: Tend to oppose. We tend to oppose the currently proposed franchising scheme due to the lack of clear provisions and considerations for community transport. We would seek better understanding of how the combined authority intends to work with community transport going forward.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: The Community Transport Association would recommend the following changes:

- Exemptions granted for S19 providers
- Exemptions or subsidies for the provision of livery
- Strengthening the role of the community transport officer
- Votes granted to community transport operators in any bus forum or partnership, as part of an alliance or as individual groups.
- Shared access to bus depots for community transports.
- Acknowledgement of lack of ZEBRA funds into the community transport sector, to be reflected in future contracts."

L31: Do you have any further comments?

A31: NOT ANSWERED.

9. Confederation of Passenger Transport (CPT)

Please find answers to the long questionnaire below.

What is the name of your business or organisation?

Confederation of Passenger Transport

What is your position/title?

Rebecca Kite, Deputy Regional Manager

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: Largely, passengers in Cambridge and Peterborough benefit from a robust and reliable bus network, demonstrating bus operators' knowledge of the area, their passenger's needs, and their commitment to delivering the best network possible.

However, bus services are subject to multiple external factors that lay outside of the operators' control, and threaten the reliability and punctuality of the network, including congestion and roadworks. Additionally, introduction of cycle priority measures, have increased the journey times for some services. We are supportive of and recognise the vital role active travel plays in connecting people to bus services and reducing emissions, which is why it is vital that any plans for the road networks are collaborative and ensure that the needs of all road users are considered.

Bus operators in Cambridge and Peterborough have formed an alliance to deliver the required bus networks to passengers. The alliance, which brings together A2B, Delaine Buses, Dews Coaches, Stagecoach East, Stephenson's, Vectare and Whippit, is committed to collaborating with the mayor to help deliver improved bus services to the passengers of Cambridge and Peterborough. Operators are already demonstrating that improvements can be delivered through partnership working to deliver a sustainable and efficient bus network.

The alliance has led to successful initiatives including the tiger pass which offers £1 fares to under 25s and the advancement of multi operator ticketing schemes to ensure bus services are accessible and user friendly.

We would encourage the CPCA to consider ways to reduce congestion, ensure roadworks are planned as efficiently as possible and make the best of the road capacity available, to ensure bus operators can continue to provide punctual and reliable services. We know that journey times are a key reason that people choose not to travel by bus and high levels of congestion is a significant contributor to increased bus journey times. This negatively impacts journey reliability and reduces passenger numbers as they seek an alternative travel option – if this is the use of a private car, this only further exacerbates congestion.

The introduction of bus priority measures can improve journey times and reliability, which in turn will lead to an increase in bus usage, reduced pollution and a bus network that is continuously improving. Bus priority is more than just bus lanes, it places buses first on the road network by giving buses priority at junctions and traffic lights, introducing bus only roads to provide direct and safer routes to city centres and park and ride schemes, which enable passengers to continue their commute into a city by bus, reducing congestion, emissions and improving journey times.

If true improvements to buses are going to be delivered, the CPCA must collaborate with all stakeholders in the area to develop a collaborative and integrated transport network that enables all passengers to travel sustainably.

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

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A2: Operators pride themselves on delivering the best services possible for their passengers and are committed to delivering a network that is continuously improving. Work to address current challenges has already begun through their participation in the CP bus alliance, and operators are optimistic that through a wider collaborative approach, a robust, reliable and sustainable transport network can be achieved for all users.

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: Operators are eager to work collaboratively with the CPCA and other key stakeholders and recognise that to secure any future government funding an Enhanced Partnership or franchised scheme must be in place, however we believe there are other options available that will also deliver benefits, in a more affordable and expedited way.

The consultation confirms that improvements to the bus network are not expected until the first franchised service is introduced in 2027, however through engaging with operators now and exploring what a stronger Enhanced Partnership model would deliver, greater certainty for operators, and benefits for passengers would be delivered significantly quicker.

Implementing a franchising scheme involves significant up-front costs, which could be mitigated through a more collaborative approach.

We would encourage the CPCA to look at the successes achieved by other Local Transport Authorities, such as Lincolnshire, who through their Enhanced Partnership Plus schemes (stronger Enhanced Partnerships) have increased their patronage by 150,000 passengers overall.

L4: Do you have any comments on the Combined Authority's overall objectives, as set out in the Strategic Case?

A4: We fully agree with the overall objectives set out in the document and that doing nothing is not the right approach.

Bus priority is going to be a significant part of delivering the objectives, reliability and punctuality are key considerations of customers when deciding on how to travel. Introducing priority measures will reduce congestion, increase journey reliability and punctuality, and increase bus usage which in turn will enable reinvestment into a bus network that is continuously improving.

Bus operators are experts at delivering what their passengers need and identifying efficiencies that can be achieved in the network. Many of the objectives outlined in the consultation match those of operators and have the potential to be delivered now, through a collaborative approach. We would urge the CPCA to engage with the CP bus alliance and explore what can be delivered outside of an Enhanced Partnership or franchising model. We would welcome the opportunity for bus operators to present these to the CPCA, so that measures that deliver immediate benefits are implemented.

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: All neighbouring authorities mentioned in this document have pursued an Enhanced Partnership and have already started to see the benefits a collaborative approach can yield. It is important that these benefits are protected and able to continue for the passengers they serve.

Clear communication between operators and neighbouring authorities is vital to ensure cross boundary services are provided without any unintended consequences, such as service cuts, and to ensure consistency across the area.

L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

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A6: The consultation seeks to increase mileage on already heavily serviced urban routes, with little mention of increasing mileage to rural routes. We would like to see CPCA's proposals for increasing and supporting rural services.

As mentioned previously, the proposal makes no reference to bus priority measures, which are going to be key to achieving the objectives of both the CPCA and bus operators.

The proposal assumes that there will be a consistent 3% drop in patronage, however, does not factor in the potential impact once the national fare cap has ended, this could potentially cause a sharper decrease in passenger numbers than anticipated and therefore should be considered in the economic case.

Additionally, it is assumed that the 500% in the Mayoral Precept will be unanimously supported, however this may be difficult to achieve, and the economic case should set out what the impact of this would be.

We recognise that implementing a franchising model would grant the CPCA more control over the bus network, however local: bus operators have a wealth of knowledge in designing an efficient and stable bus network that meets the needs of passengers.

The management of a bus network that is stable whilst also flexible is more costly – both in money and time, than many transport authorities may appreciate, which is why it is so important to engage early with bus operators.

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: The Enhanced Partnership modelled in the proposal is generic and does not acknowledge the full potential of what could be achieved. We would encourage the CPCA to engage with the CP bus alliance and determine the full extent of the benefits that can be achieved through an Enhanced Partnership that goes beyond the model in the document. Examples of initiatives that have been introduced and could continue to be delivered under an alternative model to the proposed include:

- Increased frequencies on key routes with high demand which has seen an average increase in patronage by 42.5%
- Introduced new services in response to passengers needs
- Multi operator ticketing schemes
- Partnership working to ensure the continuation of marginal services.

The CPCA has a high rural to urban ratio, which poses a risk to the financial case. In big metropolitan areas such as Manchester, where the mix is more balanced between rural and urban, the higher density of residents in urban areas means there is a way to support the provision of rural services through cross subsidisation.

The initial upfront cost to set up franchising as well as maintaining the scheme is higher than establishing an Enhanced Partnership, which we believe can deliver the same benefits to passengers, in a shorter time frame and at a more affordable price.

L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: Yes – we agree that the objectives are appropriate for the assessment. The CPCA may also wish to include an additional objective, which seeks passenger growth and satisfaction.

L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

A9: Consistency across the services that are and are not exempt is needed, for a franchise model or EP to work, all regular bus services wholly within the CPCA area should be included, exempting commercial activities such as tour buses.

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This approach should also be applied to school services currently not covered by the consultation. The inclusion of these services would allow greater flexibility, enable synergy with other services and deliver cost savings.

Further clarification on how routes, both current and future, will be included or exempted from the scheme and the rationale behind is needed.

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: It is important that operators are given adequate time to formulate their bids for a tender, in practice this means a minimum of three months to develop a well informed bid.

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: We are concerned that 7-8 years could make investing in new buses, especially zero emission buses more difficult and more expensive.

We feel longer contracts could support investment and the inclusion of variable contract lengths could be explored to allow for the investment in zero emission vehicles, which require longer duration to depreciate.

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: We agree that the allocation of lots is a sensible way to divide the work and will create the desired level of competition.

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: We are supportive of an approach that enables and encourages larger operators to subcontract out routes to smaller and medium operators, thus securing their place in the sector, and many operators already have successful partnerships in place.

Careful consideration should also be given ensure that.

- A number or percentage of lots that are accessible to small and medium operators are available
- The bureaucracy expected throughout the procurement process is proportional to lot size

We would encourage CPCA to review the potential impact franchising would have on the SME market and ensure that their plan enables the continued participation of SMEs in the delivery of a sustainable and efficient bus network.

L14: Do you have any comments on the approach to bus depots under Franchising?

A14: In principle, the approach to procuring depots appears sensible and pragmatic, however further clarification is needed on;

- How will these sites be costed and who will bear the depreciation costs?
- Who is responsible for installing fixed assets and fittings?
- Who is responsible for the ongoing maintenance and running costs of the site?
- Who is responsible for the health and safety of the site?

Guidance on how the proposed depots would be shared between operators would also need to be specified, and we encourage CPCA to seek input from operators at the earliest opportunity,

Additionally, we would advise CPCA to set out a clear plan for their depots that allows for the significant lead times and capital cost involved, including any provisions for zero emission buses.

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Lastly, careful consideration over location should also be given, as any dead mileage will significantly increase running costs and reduce the efficiency of the network.

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: Overall, we agree that operators should remain responsible for their fleet and on-board equipment, however CPCA should articulate a clear and concise specification for any vehicle or on board equipment requirements and enable bus operators sufficient time to be able to make alterations to vehicles where required.

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: CPCA should communicate their expectations clearly regarding how they plan to transfer staff and if they intend to do so under TUPE regulations. It is important that staff have the confidence to remain in employment in the sector and have certainty over their pensions, terms and conditions and their wages.

Additionally, frequent staff changes could have implications for staff who will be undergoing TUPE arrangements regularly, this led to uncertainty and could negatively impact the attractiveness of the sector and the retention of drivers.

L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: Whilst we agree in principle reviewing how well the Franchising scheme performing and the level of benefits that have been delivered, we would strongly encourage the CPCA to ensure that bus operators are included in the review and given the opportunity to provide feedback and agree baselines.

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

A18: The potential sharper decrease in passengers, once the fare cap ends needs to be recognised as a risk, as alternative funding may need to be sourced.

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A19: Whilst franchising may deliver the outlined commercial objectives, we believe that A strong EP could deliver the same objectives to a shorter timescale.

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: Whilst we acknowledge and support the CPCA objectives, if the CPCA's true intention is to deliver them, we believe a strong Enhanced Partnership model will deliver the same outcomes with less cost to the LTA and in a faster timescale and makes the best use of available capacity and capability.

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole network and there would be more reliance on negotiation with bus operators. Do you have any comments on this?

A21: Bus operators already co-operate with CPCA to ensure the whole network is covered, an Enhanced Partnership. We would encourage the CPCA to continue to collaborate with bus operators to deliver the best bus network possible across the whole area.

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L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: We believe that an Enhanced Partnership model could deliver the benefits quicker, at less cost and risk to CPCA.

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: We anticipate that the costs to move to and maintain a Franchised model have been underestimated and do not allow for many uncertainties mentioned throughout this document.

We would advise the CPCA to reassess the costs, clearly lay out each cost and to ensure contingencies are included.

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: We are concerned that the expectation that the 500% increase in Mayoral Precept does not consider that it could struggle to gain 100% support, nor provides an alternative should additional funding need to be sourced from elsewhere.

Additionally, the current BSOG and other bus funding streams are undergoing review. We would have expected the financial case to have factored in the potential risk of reduced funding, given that the future levels of reimbursement and support are unknown.

L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: We would concur that the franchising model carries more financial risk for the combined authority and is a huge burden on the combined authority and local taxpayers. There are huge transitional costs involved, none of which deliver direct service improvements to bus passengers, but which are a risk to local taxpayers.

The current system enables flexibility to adjust fares and service provision to better cover any increases in running costs, and to adjust to changes in network and travel behaviours. Under a franchise, any changes to fares or reductions to services may be politically unfavourable and could hinder the delivery of the CPCA objectives.

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: We would encourage CPCA to engage with operators where possible, to ensure that their expertise and local knowledge are captured.

We would be concerned that the introduction of consultants, who may be unfamiliar with the area and passengers' needs could result in unintended consequences, the wrong allocation of services or lead to service cuts. And higher costs.

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: In principle we agree that the proposed timelines appear sensible and that the planning steps are supported with good detail.

However, to give operators, the confidence to bid for services, details on who is responsible for the day-to-day management of the contract would need to be set out in any tender contracts.

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Additional detail on the where the responsibility over customer service would sit is required.

L28: The Combined Authority’s draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A28: We agree that the assessment covers all the required areas and are supportive of ensuring all passengers are provided with equal opportunity to travel.

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

A29: Operators are supportive of a collaborative, partnered approach and will continue to work with CPCA, regardless of the outcome of the consultation to ensure that the best possible network is provided for passengers.

However, we would strongly urge the CPCA to engage with operators as early as possible, to recognise benefits that can be delivered immediately and to explore the potential of a stronger Enhanced Partnership Model which will deliver passenger benefits with less financial risk to CPCA and on a shorter period.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: We would encourage CPCA to review the attached report, Practical Guide to Franchising, which was developed with our members to outline what is needed to deliver a successful franchise that delivers value for money and a reliable, sustainable bus network for its passengers.

L31: Do you have any further comments?

A31: It is important to understand that franchising only changes who is responsible for operating buses, it does change the fundamental economics of running a bus service.

Despite efforts to improve reliability of services and to increase bus usage, bus operators are often hampered by a range of external factors, including rising car usage, congestion, a change in shopping patterns and reduce public sector investment, which are outside of their control.

Delivering bus services needs to be considered as part of a wider strategy, which includes measures to make bus journeys more reliable, accessible, and attractive.

Introducing bus priority measures is one certain way to deliver real benefits to bus services, improve patronage and passenger satisfaction, reduce congestion and the associated emissions.

Collaborative partnered working has been successfully demonstrated through the CP Bus Alliance, and we would encourage the CPCA to explore what benefits can be delivered to the passengers of Cambridge and Peterborough and its neighbouring communities.

10. Delaine Buses Ltd

Please find answers to the long questionnaire below.

What is the name of your business or organisation?

Delaine Buses Ltd

What is your position/title?

Managing Director

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: "As an operator who only serves Peterborough with two cross-boundary services originating in Lincolnshire, I am only able to comment on this area of the CA.

Peterborough currently has a thriving range commercial services with the Stagecoach Citi network being the centrepiece. This network of high-quality frequent services serves all urban areas of the city was developed some years ago from the previous network of often overlapping services which dated back to the National Bus Company era. In addition to the service to the neighbouring town of Huntingdon within the CA area, the network in Peterborough is complimented with a number of frequent high-quality cross border inter-urban services operated by ourselves (Delaine Buses) from Lincolnshire, First Excel from Norfolk and Stagecoach Midlands from Northamptonshire.

Despite the many external challenges encountered in delivering a bus service, we are confident that we and the other operators continue to deliver frequent quality services with modern vehicles, offering a range of contactless and mobile ticketing products available for our customers."

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: As a Bus Operator, it has been disappointing that the emphasis by the CA has been focused on the Franchising model and operators have had no meaningful opportunity at our regular forum meetings to discuss or develop an Enhanced partnership model which has been successfully adopted in neighbouring authorities and beyond.

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: "The CA is very diverse area, having two cities, Cambridge with an historic footprint which is located within the Greater Cambridge Partnership area and Peterborough which enjoys the benefits of a post war new town model. Together with a number of Market Towns with vast areas on rural fenland communities in between.

DFT guidance recognises a one size fits all model is not necessarily the best approach and that multiple models may be more appropriate within a LTA area.

This Strategic Case has not been made to identify the benefits and disadvantages of applying each model in the different types of area within the CA.

Unlike some areas of Cambridgeshire where there is a lack of connectivity, Peterborough has an established and thriving network of services as I set out in L1 and there is no reason why an Enhanced Partnership Model could not deliver the CAs aspirations in this area."

L4: Do you have any comments on the Combined Authority's overall objectives, as set out in the Strategic Case?

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A4: "The CA have never put forward an Enhanced Partnership proposal to Bus Operators or permitted them to put forward a formal proposal for discussion.

As has been demonstrated in neighbouring areas and beyond, the benefits of an Enhanced Partnership can be delivered within months, whereas the Franchise Model will take years.

A collaborative approach, which takes into consideration the interests of both the CA and SME operators, would better serve the public and ensure the sustainability of local businesses like ours."

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: "As a Lincolnshire Operator, our primary focus is in Lincolnshire, our cross-boundary routes form two of our three core routes predominantly serving communities outside of the CA area, bringing people into the City of Peterborough rather than moving them around it.

The franchising model does pose an existential threat to SME operators, and we are no exception. In Lincolnshire there is an historic precedent of the Local Authority and Operators working together in an informal partnership arrangement and more recently an Enhanced Partnership to deliver the best for our communities.

As the predominant operator in the southwest of Lincolnshire, if the introduction of a franchising model had a significant adverse or existential impact on our business model, it would be to the detriment of these communities. The Local Authority who would inevitably have to support our current commercial network in part or in whole which includes a significant number of student movements as a large group/company would have much higher operating costs than ourselves as an SME, thereby rendering part or all our current network unremunerative."

L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

A6: The franchising model has the potential to be an existential threat to SME operators who are not portable and are open to predatory pricing by larger groups/operators to ensure we are not around for subsequent rounds of bidding.

An enhanced partnership offers stability for SME operators, who can grow their business naturally and invest with confidence without the fear of being removed from the marketplace."

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: "The franchising model places the financial risk with the CA. Inevitably during the economic cycle there will be downturns when public sector funding will be squeezed, and the priority will always be for health and education. During these periods which are susceptible to numerous external factors such as the volatility of the oil market, how will the network remain stable if the public funding is not sufficient to maintain it.

One of the primary reasons for bus deregulation in the 1980s was the lack of public investment following the economic downturn during the 1970s and the need for private sector investment in bus networks.

Under an enhanced partnership the financial risk continues to lie with the operator who are much more adaptable to react to adverse market conditions and apply their entrepreneurial skills to grow markets quickly than a public body which often gets bogged down in politics and bureaucracy."

L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: NOT ANSWERED

L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

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A9: "As I responded in L3, the CA is very diverse area and a one size fits all model does not necessarily offer the best solution for each type of area and the DFT guidance allows for different models to be applied within an LTA area.

As a long established commercial Cross Boundary Lincolnshire Operator, we welcome our services being excluded from franchising and being named in the list of services to operate under a permit within the consultation document and previous presentations relating to Bus Reform from the outset. This will avoid any disruption or threat to our commercial network and the people of South Lincolnshire and the villages to the north of Peterborough who rely on our services for a variety of reasons.

We also welcome the recognition of the differentiation between franchised and cross-boundary services operating under permit in sections 7.259-7.263 of the consultation document.

The separate consultation for service permits should include a section to enable negotiations to avoid any identified conflict with local traffic on franchised services highlighted in section 7.264, to enable both types of service to co-exist."

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: NOT ANSWERED

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: NOT ANSWERED

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: NOT ANSWERED

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: Regardless of the methodology, the Franchising model will always present an existential threat to SME operators. Even if successful in the initial bidding process, they are then open to generous offers from larger companies/groups to secure their operations and thus remove them from future bidding. An example of this is the recent emerging trend of large groups acquiring long established coach businesses with a view to securing express service contracts.

L14: Do you have any comments on the approach to bus depots under Franchising?

A14: The additional burden of labour and operational costs may be a deterrent to SME operators who historically operate from one central depot with a number of unmanned operating centres if applicable.

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: NOT ANSWERED

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: "We have a number of employees who have joined us from large operators and the feedback we have generally received is they do not like corporate practices they employ. This may be amplified for staff currently employed by SME operators and if they are unwillingly TUPE'd across to a large operator/group may lead to an exodus of drivers from the industry.

Driver retention has been more difficult since covid as the bus industry has been competing with delivery companies et all for the services of drivers."

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L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: NOT ANSWERED

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

A18: NOT ANSWERED

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A19: NOT ANSWERED

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: There has been a willingness by operators to work with the CA to deliver a better network across the area and it has been disappointing there has not been reciprocal desire to work with operators to deliver an Enhanced Partnership, which many neighbouring authorities and beyond have already successfully introduced.

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole network and there would be more reliance on negotiation with bus operators. Do you have any comments on this?

A21: "It has been disappointing through the bus reform process that operators have been denied the opportunity of meaningful discussions or put forward an Enhanced Partnership proposal, which could have delivered similar objectives in a very short period.

Too much emphasis has been put on the term control by the CA. One of the major operational issues operators suffer from is punctuality, once the bus has left the depot it is at the mercy of the road conditions. As highways come under the remit of local authorities, there has been very little if any in most places measures to assist operators maintain reliability or reduce journey times by introducing bus priority schemes. This could be as simple as removing on street parking at pinch points and ensuring temporary traffic lights are under manual control during core hours to give priority to queuing buses."

L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: "This is based purely on assumptions as operators have never had sight of the Enhanced Partnership model used to make this assessment.

Consequently, operators have never been given the opportunity to assess or propose an alternative to deliver the CAs objectives through an Enhanced Partnership, which would also remove the financial risk from the CA."

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: NOT ANSWERED

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: NOT ANSWERED

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L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: "The CA have put too much emphasis on control throughout the process, rather than overall benefits that could be achieved through an Enhanced Partnership model.

Public Sector spending will always prioritise health and education above all other areas. When the economic cycle is in a downturn phase, the wider network could be at greater risk than an Enhanced Partnership model where the financial risk is with the operator who may be better placed to weather the storm."

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: "One of the key factors of our commercial business model is long term investment. With the considerable investment in capital required for what could be a relatively short period in the economic life of a vehicle, we would be loath to invest in the Franchise Model knowing it could all be lost in subsequent re-tendering unless the depreciation was over a much shorter period which would increase the price the bid.

The Enhanced Partnership model enables SME operators to invest for the future in the knowledge that a quality commercial service can offer long term stability."

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: NOT ANSWERED

L28: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A28: NOT ANSWERED

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

A29: Strongly oppose. As a family-owned SME operator, we do not feel is the right approach for a Shire County. However, we do recognise the Greater Cambridge Partnership Area with its distinct public transport network and significant planned development over the coming years is becoming more aligned to a large conurbation than a Shire County.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: NOT ANSWERED

L31: Do you have any further comments?

A31: "Delaine Buses is a family-owned business and has operated from the same site for 122 years. We have continually operated Stage Carriage/Local Bus Services into Peterborough along the A15 Corridor from the South Lincolnshire market town of Bourne for over 100 years.

We are deeply invested in the community and maintain a longstanding commitment to the areas we proudly serve, where the Delaine brand and livery has been a constant beyond living memory. We enjoy an enviable reputation for providing quality public transport and operate one of the most modern independent fleets in the country.

In the event of the franchising model being adopted, we do support the introduction of permits for cross-boundary services which specifically includes our routes originating in Lincolnshire which predominantly serve

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communities outside the CA area to continue operating into Peterborough in the draft scheme, which have also been specifically included in various presentations since the bus reform process began.

This is vital for maintaining the connectivity and quality of service that residents along our routes have come to rely upon. We hope any permit scheme would not be too onerous as any disruptions or increased administrative burdens could jeopardize our ability to provide the same level of service and reliability to our customers.

Furthermore, as our fleet operates within three LTA areas, aside from the longevity and awareness of the Delaine brand, it is essential to maintain continuity and confidence that our brand is not compromised in anyway whatsoever under a permit scheme.

In addition to the comments made in L29, our rationale for the franchising model not being appropriate is:

- The procurement process for tenders may present bureaucratic burdens that will, by their nature, exclude SME operators, as we do not have the resources that a large company or group subsidiary have with dedicated bid teams. This could potentially lead to a reduction in the number of SME operators active in the market, which we believe would have a strongly negative impact both on the competitive situation for future franchise bids and on neighbouring areas in which SME operators may also be active. This will erode the experience and local knowledge that exists among SME operators and the personal high quality of service we generally can offer over and above that of a large company or group subsidiary. In our view this is not one of the DFT's objectives and on that basis, we believe that due consideration be given to avoid risks from unintended consequences.
- The impact of franchising on SME operators and our ability to remain in business. A large company or group subsidiary also has the ability to move its fleet around the country and treat the franchising model on a win some, lose some basis. SME operators are not portable and if we lose some or all of our business will in all probability result in them cease trading.
- Our operations are not portable, and the proposal leaves us vulnerable to predatory pricing practices by larger, more resourceful operators. A large company or group subsidiary can offer what would be a significant part of an SMEs operation as an add on to gain the work and thereby the undermine the SME operators business model which will in all probability result in them cease trading and take them out of the marketplace in future bids.
- There is a risk that only a large company or group subsidiary – may be able to expend resources on franchising that cannot be matched by SME operators. Similarly, the loss of some or all of the business of an individual SME operator can have an impact on services outside the franchise area (or on the supplier base of neighbouring authorities in relation to schools and other work) and will weaken the knowledge of local needs that exists within the SME operators"

11. East Cambridgeshire District Council

Please find answers to the long questionnaire below.

What is the name of your business or organisation?

East Cambridgeshire District Council

What is your position/title?

Director Community

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: The current bus service offer for East Cambridgeshire is very limited. Buses are not direct or convenient due to long journey times. Some communities have no bus service at all and often there are no alternative public transport modes available, meaning that for many the only viable option is private car travel. Low population density and longer distances to travel make practical and commercially sustainable public transport difficult in rural areas and as funding for bus services has been reduced in the past, this has led to services in East Cambridgeshire and rural areas being withdrawn or reduced so that the areas, days and times of operation do not meet the needs of residents.

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: "The evidence put forward in the report suggests that the Proposed Franchising Scheme best achieves the CPCA and local authority objectives.

In East Cambridgeshire there are a number of areas which are currently poorly served by bus in terms of available routes and the frequency of bus services. Low population density and longer distances to travel make practical and commercially sustainable public transport difficult in rural areas. Funding for bus services has been reduced in the past and this has led to services in East Cambridgeshire and rural areas being withdrawn or reduced so that the areas, days and times of operation do not meet the needs of residents.

The Proposed Franchising Scheme provides the mechanism to potentially address these issues and to provide services based on social and economic need, which is particularly useful in areas where routes might not be commercially viable but are essential for maintaining connectivity.

The Council requests that the CPCA works with the Council and local community to implement a fit for purpose bus network to meet local need."

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: "No, but it is important to recognise that as bus travel is only one part of the transport network, it is important that other interventions and investments in the transport network are made.

Some residents are not able to use any of the options proposed. Not everyone can use public or active travel transport and rely on their car to be able to access employment, education and services in and around Cambridge.

Many companies, particularly those that require the transportation of equipment and materials or carry out deliveries are unable to use active or public transport modes to conduct their business. Those that work before or after public transport services operate also rely on private vehicles to access their place of work."

L4: Do you have any comments on the Combined Authority's overall objectives, as set out in the Strategic Case?

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A4: The Council supports the objectives; however, it is important that these are applied and achieved equally across the CPCA area and that rural areas receive the same level of service as urban areas. It is unclear whether the level of investment proposed by the business model will achieve this. It is also difficult to see how a comprehensive network of bus services across all of Cambridgeshire and Peterborough that all people find convenient, easy to use, reliable and good value for money, which is inclusive and offers a viable alternative to the car can be achieved for those residents who will be receiving a DRT service that does not operate on a Sunday.

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: The Council requests that the CPCA engages with neighbouring authorities at an early stage to ensure that cross boundary services remain unchanged as a minimum, but that opportunities to increase and enhance these are included in the franchising proposals.

L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

A6: "The Council welcomes the impacts highlighted as they reflect work that the District Council is already undertaking through its Corporate Plan and its Environment Plan to facilitate improved active travel and public transport infrastructure. We are aware of the positive environmental impacts and improvements to air quality and health that such improvements bring. There is also a clear opportunity for any franchising activity to coincide and support wider efforts to electrify the bus fleet and contribute to air quality improvements and it will also help meet social and economic needs by better connecting people to services and employment.

However, the assessment focuses on user benefits only and doesn't address the financial impact on bus users and other residents of funding the proposed Franchising Scheme."

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: As stated in the consultation document, the value for money measures used all point towards the same conclusion that Franchising is the highest VfM option, and that it is costlier than the other two options. But it is vitally important that the CPCA undertakes further work to fully understand the residual risks and uncertainties within the OBC before a final decision regarding franchising is taken. The Council does not believe the decision should be taken before this work has been completed and published.

L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: The Council supports the objectives, but it is important that they are realised equally over the CPCA area. As stated above, all residents should receive a bus service that meets the overall vision of the Bus Strategy, not just those living in areas where it is cost effective and easy to do so.

L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

A9: ECDC considers the continued operation of cross-boundary bus services to be essential. The Council supports the proposal that services that operate mainly in Cambridgeshire and Peterborough but cross the boundary into neighbouring authority areas such as Newmarket, will be included within the Franchising Scheme and managed by the CPCA collaboratively with the appropriate neighbouring authority.

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: "ECDC would like to understand what processes would be in place to minimise any negative changes to East Cambridgeshire services as a result of the franchising changes being rolled out and what processes will be in place to address issues if they occur.

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As stated above, it is also vitally important that the CPCA undertakes further work to fully understand the residual risks and uncertainties within the OBC before a final decision regarding franchising is taken. The Council does not believe the decision should be taken before this work has been completed and published.

The Council strongly believes that this far-reaching decision, which will have significant consequences for the CPCA, its budget and for the people and businesses of the area, should not be taken prior to the Mayoral election in May 2025 and until the policy aims and objectives of the new Mayor are clear. This decision should be taken by the Mayor of the Cambridgeshire and Peterborough after the Mayoral election in May 2025."

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: The Council agrees with the reasons given for this length of contract.

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: The Council supports the aims of supporting new entrants to the market and encouraging small and medium sized operators to bid.

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: The consultation document states that the CPCA will not provide depot facilities for the smaller lots. However, ECDC strongly believes that operators of the smaller lots should be able to access the CPCA provided depots to ensure smaller operators are not disadvantaged, that they are able to charge EV vehicles and that their staff have access to welfare and rest facilities.

L14: Do you have any comments on the approach to bus depots under Franchising?

A14: The consultation document states that the CPCA will not provide depot facilities for the smaller lots. However, ECDC strongly believes that operators of the smaller lots should be able to access the CPCA provided depots to ensure smaller operators are not disadvantaged, that they are able to charge EV vehicles and that their staff have access to welfare and rest facilities.

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: ECDC supports this approach if the contracts in place are robust enough to ensure that operators adhere to the requirements set by the CPCA. Provision should also be made to accommodate bicycles on buses.

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: The CPCA should adhere to the TUPE regulations.

L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: The information presented is vague. The CPCA should commit to undertaking the initial consultation within the first year of operation and commit to regular consultation within a set time frame, rather than just state 'it will repeat this periodically'. Does 'interested parties' include the public – both bus users and non-bus users?

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

A18: They appear to be allocated to the party best placed to manage them.

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

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A19: There is no mention of any funding or financial risk in this assessment. There are huge risks to how the CPCA could manage the bus network around funding, resources and operators willing to bid and at a competitive price. Under franchising the risk will sit solely with the CPCA and options for the CPCA to raise additional funding are severely limited. The Council is concerned that additional funding requirements would fall on tax payers through increases to the Mayoral precept. More work is required to understand the funding risks and requirements in the context of the CPCA's overall budget envelope and this information should be clearly presented to the public for consultation and feedback before a decision is taken.

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: An Enhanced Partnership would facilitate some of the desired improvements. It is recognised that even an ambitious Enhanced Partnership would not provide the CA with the level of control that Franchising provides to enable it to achieve its commercial objectives, but it would better control the risk to the CPCA and the public purse.

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole network and there would be more reliance on negotiation with bus operators. Do you have any comments on this?

A21: The Council agrees with this assessment. Whilst an Enhanced Partnership would facilitate improvements, it falls short of being able to fully coordinate and manage the network. Operators are still free to introduce, amend and withdraw services, albeit within a framework of coordinated service change dates and potentially longer notice periods.

L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: The information set out in the consultation documents demonstrates that bus franchising provides the greatest benefits and would better enable the CPCA meet its commercial objectives. The question to be answered however, is whether the benefits are worth the financial, practical and reputational risks being taken on by the CPCA. More work is required to understand the funding risks and requirements in the context of the CPCA's overall budget envelope and this information should be clearly presented to the public for consultation and feedback to the public before a decision is taken.

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: The consultation documents recognise that the costs are based on estimates and risks that would potentially carry a revenue impact have been identified. But at what stage will these costs be confirmed and how and when will decisions be made about investment spend if these costs come in over budget and/or if projected income doesn't cover costs, which will include debt repayments? How will these decisions impact on service provision? Will the CPCA provide assurances that it will not cut routes that provide least farebox income or cost more to run, i.e. rural services be reduced to cut costs? The CPCA should set out its priorities and a hierarchy of decision making in the context of a reduced funding envelope and present this for consultation and feedback to the public before a decision is taken.

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: "The mitigation that appears to be offered to address all the financial risks identified is the political ability to raise the Mayoral precept and/or reduce services if required. How and when will decisions regarding which services will be reduced be made? Will the CPCA provide assurances that it will not reduce services on routes that provide least farebox income or cost more to run, i.e. rural services, to cut costs? Supporting and subsidising rural routes must be a priority. In 2023 the top priority from the feedback from the draft Bus Strategy

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consultation was provision of more services in rural areas (60% of respondents). The CPCA should set out its priorities and a hierarchy of decision making in the context of a reduced funding envelope and present this for consultation and feedback to the public before a decision is taken.

Has any assessment, consultation or decision taken place regarding the allocation of the non ringfenced capital and or revenue from the CPCA budgets to bus services? There are other competing priorities for this money and committing this funding and CPCA staff resources to bus services now could limit or impact the development of a more ambitious public transport system that is need to support growth across Cambridgeshire and Peterborough as well as other CPCA spending decisions.

The Council agrees with the funding options that have been discounted, in particular the work place levy and Cambridge City Access Charge, but ECDC does not support an increase in the Mayoral precept. The CPCA has not discussed with ECDC the option to (nor has the Council agreed to) allocate any of its CIL or commuter car parking charge income to the CPCA bus services and the CPCA should not rely on these as funding sources. It is not clear from the consultation documents that these conversations or agreements have been made with other local councils in the CPCA area and ECDC is unaware of these conversations having taken place.

Linkages to new development will be important as large development schemes could help to deliver bus infrastructure improvements."

L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: "Whilst the Commercial Case demonstrates that Franchising would give the CPCA significant control and influence to achieve its objectives, it would come with both huge cost and risk. Delivering Franchising would require a significant financial commitment and expertise from the CPCA for its implementation. In terms of risk, delivering Franchising would present the CPCA with a range of financial and non-financial risks that would require careful management. ECDC is very concerned that the mitigation that appears to be offered to address all the financial risks identified is the political ability to raise the Mayoral precept and/or reduce services if required. ECDC is concerned that this will become all consuming for the CPCA at the expense of the development of a more ambitious, modern 'turn up and go' style public transport system across Cambridgeshire and Peterborough.

The case for change is finely balanced and the Council strongly believes that this far-reaching decision, which will have significant consequences for the CPCA, its budget and for the people and businesses of the area, should not be taken prior to the County Council and Mayoral elections in May 2025 and until the policy aims and objectives of the new administration are clear. This decision should be taken by the Mayor of Cambridgeshire and Peterborough after the County Council and Mayoral elections in May 2025."

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: It is essential that the CPCA increases its capacity and capability in order to implement and maintain a successful franchising scheme and to ensure that the benefits and objectives promised are delivered for the benefit of all residents in the CPCA area.

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: The consultation document states that individual authorities would be able to influence the shape of franchised operations within their areas, liaising with both the Bus Board and Bus Management Group. But as it is a sub group of the CPCA Board, how will the CPCA ensure that each local authority area be fairly represented on the Bus Board and that decisions taken are in the interests of the geography as a whole.

L28: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

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A28: The Equality Impact Assessment should consider the impacts on people during the phasing in of the Franchising Scheme factoring in the potential change to, loss or reduction of bus services during this time. This could have a significantly negative effect on people, particularly on specific groups.

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

A29: Neither support nor oppose. As set out in earlier responses, the Council believes that more work is required to understand the funding risks and requirements in the context of the CPCA's overall budget envelope and this information should be clearly presented to the public for consultation and feedback before a decision is taken. It is also critically important that the transport policy aims and objectives and overall strategy of the new administration following the County Council and Mayoral elections in May 2025 are understood and that the decision on bus franchising is taken by the new administration.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: More detailed information should be provided to residents and other consultees re the level/type of bus service that is anticipated to be available in their area so they can make an informed decision regarding the benefits of franchising for themselves and their local area. Residents should be made aware that franchising will be funded in part by an increase in council tax via the mayoral precept. Other comments about matters for public consultation have been included in earlier responses.

L31: Do you have any further comments?

A31: "The information set out in the consultation documents demonstrates that bus franchising should provide the greatest benefits and have a positive impact on the bus network. The ability to plan and coordinate the network as a whole will provide the flexibility to adapt and adjust the service offer to ensure continued sustainability and affordability of the network by subsidising rural routes.

However, it must be recognised that the future success of the bus network is dependent on other issues (outside of the bus service operations) being addressed and uncertainty remains around risks, costs and revenues and the level of service that will be provided, as well as how services will be prioritised and decisions taken in the context of a constrained or reducing financial envelope.

The Council has concerns regarding the funding of the Franchising Scheme. The mitigation that appears to be offered to address all the financial risks identified is the political ability to raise the Mayoral precept and/or reduce services if required. There are no assurances provided within the document that the CPCA will protect rural routes which are often not financially viable from service reductions. Supporting and subsidising rural routes must be a priority. In 2023 the top priority from the feedback from the draft Bus Strategy consultation was provision of more services in rural areas (60% of respondents). The impact of allocating non ringfenced CPCA budgets to bus services should be assessed. There are other competing priorities for this money and committing this funding to bus services now could limit or impact other CPCA spending decisions. It is important to recognise that as bus travel is only one part of the transport network, it is important that other interventions and investments in the transport network are made.

The people of East Cambridgeshire will be hoping for an increase in local services which run later, at weekends and in a greater frequency than currently is received. However, table 7-9: 'Desired Service Frequencies' states that for the Service category 'local', feeder, local link and or DRT services will operate, but 'perhaps less duration and/or using fewer vehicles Monday - Saturday' and with no Sunday service. For the thousands of residents in East Cambridgeshire that do not live on, or near to, either a Key Bus Corridor or a town service, it appears that travel via Demand Responsive Transport is proposed. The frequency levels proposed, coupled with the complexity and unpredictability of DRT make this an unrealistic option and does not provide a credible alternative to private car travel. The guarantee of a comprehensive network of bus services across all of Cambridgeshire and Peterborough that all people find convenient, easy to use, reliable and good value for money, which is inclusive and offers a viable alternative to the car is essential for residents who will all be contributing to bus services via the mayoral precept."

12. England's Economic Heartland

Please find answers to the short questionnaire below.

What is the name of your business or organisation?

England's Economic Heartland

What is your position/title?

Trevor Brennan, Transport Implementation Lead

S1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: As the strategic transport body (STB) for the region, England's Economic Heartland welcomes the opportunity to respond to this consultation and the CPCA's continued commitment to improving local bus services. Decisions on which bus delivery models local transport authorities should adopt is best informed by local circumstances and decision makers and residents and it is in this context that EEH Officers provide our input, based upon a range of work we have undertaken on regional bus models and networks that has been recently completed.

Bus services play a fundamental economic role within the region, including the Cambridgeshire and Peterborough area. Based upon recent work by the Confederation of Passenger Transport and KPMG, local bus passengers and services within CPCA area annually contribute to the UK economy about £465 million¹, this includes the economic impact gained by bus passengers interacting with local economies. More broadly, buses can help support wider quality of life challenges, including reducing deprivation and addressing living environment (an indicator of poor air quality, potentially caused by high congestion). By connecting communities, enabling residents to access schools, employment, and essential services (such as shops and health facilities) and help foster a sense of belonging and cohesion and support individuals to participate in social activities and enjoy entertainment.

More locally, Cambridgeshire and Peterborough (combined) as with most areas within the region have seen a decline in bus passengers, although partly due to the pandemic,² passenger journeys on local services per head of population have declined from 99.3 in 2010 to 44.3 in 2023, this is a loss of over 55 % as compared to a figure of 33 % for England³.

In terms of bus services running on time, there has been a very small average decline from the previous year of about 3%, to around 81% across the EEH region (the average for England outside London during the same timeframe was about 83%). No authorities within EEH saw improved reliability, though in five authorities' reliability remained the same, including Cambridgeshire and Peterborough (combined).

EEH notes, that some of the challenges associated with declining passenger numbers or journey times factors are outside of the direct control of bus operators or CPCA alone. For example, congestion, particularly in urban centres such as Cambridge city centre, impacts these issues further, with slowing traffic, reducing traffic speeds by up to 50% in peak travel time⁴, creates journey time reliability issues for bus services⁵. CPCA faces

¹ Bus Viability Study / CPT report - Confederation of Passenger Transport. (2024) The Economic Impact of Local Bus Services. Available at: <https://www.cpt-uk.org/news/economic-impacts-of-bus/>

² [England's Economic Heartland Bus Symposium 2024](#)

³ [Bus statistics data tables - GOV.UK \(www.gov.uk\)](#)

⁴ [PowerPoint Presentation](#)

⁵ [bus-viability-on-a-congested-network.pdf](#)

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the challenge of supporting more rural bus services, whilst delivering its more urban routes: this requires a balance of priorities.

CPCA note that current approach to provision of bus services is not working as well as is needed and the EEH Strategic Transport Leadership Board, through discussions held previously, are known to fully support the ambition to consider how best to address this, as CPCA is currently considering. In line with the regional transport strategy⁶, EEH believes that bus services should be fully integrated to create a more holistic approach to local transport services, with the current consultation on bus reform being seen as first in many steps to support a more sustainable pattern of economic growth within the CPCA area and the wider region.

S2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: See Section 6 (paragraphs 6.10 – 6.15) of the Consultation Document for information to support answering this question.

In line with the regional transport strategy, EEH supports CPCA’s efforts to improve quality of bus services and encourage increased patronage – as this is a positive action to ensure the continued viability and sustainability of the local bus network. From EEH’s own work, enhanced partnership, franchising and publicly owned bus companies would offer CPCA both opportunities and challenges, as set out in the table below, and from the consultation materials made available, CPCA have undertaken a robust approach in setting out which of the operating models (franchising) they would prefer. EEH would note that one particular risk, that of the knock-on effects for other LTAs or cross-border bus service, if operators withdraw to focus on franchise services in the CPCA, that this does not have a detrimental effect on services in other LTA areas such as Hertfordshire, Bedford, Central Bedfordshire or Luton.

Summary opportunities and challenges of differing Operating Model’s

	Enhanced Partnership	Franchising	Municipalisation
Summary	Legal framework in which LTAs and operators collaborate on tangible measures to deliver BSIP objectives	Empowers LTAs to assume control of setting the routes, frequencies, fares, and other standards for bus services	The process by which an LTA may assume not just control, but also ownership, of their own bus company
Pros/ Benefits	<ul style="list-style-type: none"> Each LTA already has an EP in place, giving some influence over service design and standards Comparatively less capital outlay Most ‘light touch’, ‘quick win’ model Builds on existing relationships with commercial operators Can co-exist alongside franchising Chance to develop cross-boundary services with multi-LTA EP(s) Chance to develop unified branding Chance to control registration process Chance for multi-operator and multi-modal integration LTAs play role in sourcing/spending funds from Government Revenue risk remains with operators, minimising risk to LTAs Reporting on BSIP objectives creates transparency and accountability Incremental improvements create a ‘glide path’ to franchising in the longer term 	<ul style="list-style-type: none"> Gives LTA full control of service design and standards Quality improvements can come without need to negotiate with operators Sense of local ‘ownership’ Can co-exist alongside EPs Chance to develop cross-boundary services with regional or multi-LTA franchising Chance to develop unified branding Chance for multi-operator and multi-modal integration Less capital than municipalisation LTAs would become integrated decision-making bodies to source/spend Government funding Transparency on performance, plus enforcement via incentives/penalties Stability for the length of contracts Allows cross-subsidy between routes Healthy competition among bidders Transfer of revenue risk may attract new entrants to market 	<ul style="list-style-type: none"> Gives LTA control of service design and standards Enables holistic, long-term approach Profits reinvested in network Less admin than franchising Quality improvements can come without need to negotiate with operators Sense of local ownership Chance to develop unified branding Chance for multi-modal integration Chance to develop cross-boundary services in partnership with other LTAs LTAs would become integrated decision-making bodies to source/spend Government funding Transparency on performance LTA can step in where commercial operators withdraw LTAs have access to council-owned land for depots etc. Chance to improve industrial relations
Cons/ Risks	<ul style="list-style-type: none"> Lacks the accountability and enforcement of franchising Participation can be withdrawn BSIP are agreed, not binding, and collaboration is not guaranteed Revenue risk remains with operators who still make commercial decisions Government funding could be withdrawn, diverted or reduced 	<ul style="list-style-type: none"> High capital/transition costs Higher operating costs for admin and service enhancements Few incumbent operators may stifle effective competition in tendering Risk of knock-on effects for other LTAs if operators withdraw to focus on franchise services Risk of legal challenge (cost/delay) 	<ul style="list-style-type: none"> Precluded under current legislation High costs to acquire an existing operator, or to set up from scratch Higher operating costs for admin and service enhancements Revenue risk transfers to LTA Investment depends on access to long-term capital and sustainable revenue funding

⁶ [Connecting People, Transforming Journeys: Regional Transport Strategy](#)

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	Enhanced Partnership	Franchising	Municipalisation
		<ul style="list-style-type: none"> Revenue risk transfers to LTA, incl. need to subsidise shortfalls (or make service cuts) Risk of 'squeezed out' SME operators Government funding could be withdrawn, diverted or reduced 	<ul style="list-style-type: none"> Municipal operators must compete with commercial operators and comply with same regulations Cross-subsidy prohibited LTAs would inherit difficulties faced by incumbent commercial operators

As detailed, which bus operating models individual local transport authorities should pursue, would be down to the authorities themselves taken, but we would suggest that whatever option is adopted. It should include an opportunity to be more integrated and make it easier for people to travel, such as including single ticketing system, greater interoperability across services, as well as a single identity for public transport services and improved data sharing.

S3: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A3: See Section 6 (paragraphs 6.16 – 6.23) of the Consultation Document for information to support answering this question.

Based on the individual economic case for CPCA included in the consultation documents, franchising seems to offer better value for money than an enhanced partnership, although the case for publicly owned bus company has not been fully reflected. EEH, would note, that the economic case does include government funding to support franchising, however, there remains little current information as to the long-term nature as to funding from Department for Transport.

CPCA's commitment to deliver bus priority measures to speed up journey times and improve customer experience is fully aligned with the regional transport strategy, without this both journey reliability and passengers' numbers will remain static or reduce. Research undertaken by Cambridge Ahead on bus viability on the Greater Cambridge regio, concludes that unless buses are removed from congestion, the cost of maintaining provision will increase year on year at the same time as quality reduces⁷.

It is critical that funding and future investment in the CPCA bus network such as bus priority mechanisms, is protected. This has the potential to secure significant gains with estimates suggesting that spend on targeted inventions like bus priority measures can generate at least £5 in economic benefits for every £1 of public funding spent⁸.

S4: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A4: See Section 6 (paragraphs 6.24 – 6.33) of the Consultation Document for information to support answering this question.

The regional transport strategy advocates for sustainable and inclusive growth which supports high quality of life across the region. Therefore, we would encourage the use of success factors that are realistic and focus primarily on user experience, which is the foundation for increasing patronage in line with the CPCA's wider commercial objectives outlined in the consultation. Success factors should be regularly reviewed with consideration of any unintended consequences they may have on user experience.

S5: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

⁷ [bus-viability-on-a-congested-network.pdf](#)

⁸ [England's Economic Heartland Bus Symposium 2024](#)

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A5: See Section 6 (paragraphs 6.34 – 6.39) of the Consultation Document for information to support answering this question.

As noted, EEH believe that decisions on which bus delivery models local transport authorities should adopt, is best informed by local circumstances and decision makers and residents. However, based on the financial case put forward in the consultation documents and EEH own work, we would agree that although franchising would carry more financial risk than an enhanced partnership, it would give CPCA more control over the bus network and services with the CPCA area.

From EEH's own work on bus operation models, we note that consideration as to provide replacement or back up services if a provider should fall through, will need to be considered by CPCA, if it takes on sole responsibility for bus services. We would encourage the CPCA to consider the possibilities for a shadow fleet or alternative provision which can be used in the event of emergencies to ensure robustness in the system and secure the gains expected in terms of passenger experience, public trust and general reliability of the service.

S6: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A6: See Section 6 (paragraphs 6.40 – 6.50) of the Consultation Document for information to support answering this question.

Given the increased control and flexibility that the CPCA would have in managing the bus network under the franchising model, it offers opportunities for strategic consideration of bus network design to ensure it can adapt to meet the changing needs of the place. This should be done in partnership with local communities, employers and services, and the governance structures in place should reflect the need for this kind of ongoing engagement. With Cambridge's expected growth trajectory, the design of the bus network should take into account emerging and future employment sites, housing developments and planned transport infrastructure. This is essential to make sure that as new housing and business communities develop, they do so in parallel to improved bus services and therefore establish ways of travel using public transport, rather than contributing to reliance on private vehicles and the associated impacts this has on congestion and the environment. This has the potential to enable the behaviour change needed to increase patronage which will support the longer-term viability of the bus network, the shift to an integrated transport system, and the broader economic, social and environmental gains available.

S7: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A7: See Section 6 (paragraphs 6.57 – 6.62) of the Consultation Document and Appendix 6 for information to support answering this question.

No comment

S8: To what extent do you support or oppose the introduction of the proposed Franchising Scheme?

A8: See Section 6 (paragraphs 6.27 – 6.30; 6.51 – 6.56; and 6.63 – 6.64) and Appendix 5 of the Consultation Document for information to support answering this question.

Neither support nor oppose.

S9: Are there any changes that you think would improve the proposed Franchising Scheme?

A9: See Section 6 (paragraphs 6.27 – 6.30; 6.51 – 6.56; and 6.63 – 6.64) and Appendix 5 of the Consultation Document for information to support answering this question.

The success of the franchising approach is dependent on its delivery alongside a wider set of infrastructure improvements, technological upgrades, behaviour change programmes and the better use of data to continually monitor and improve the local public transport system. It is essential that the Franchising Scheme is introduced as part of a clear and comprehensive integrated travel plan, with long-term, stable political support and buy-in across local partners.

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Furthermore, the CPCA should consider the governance arrangements under the franchising scheme and ensure that these arrangements preserve its ability to make long-term decisions and effectively deliver its overall strategy.

S10: Do you have any further comments?

A10: Bus franchising should be seen as an important next step in the progress towards an integrated and joined up transport network, and EEH remains supportive of ultimately working towards an affordable mass rapid transit system as a long-term solution serving the CPCA and the region.

Further, concerns remain regarding the long-term funding to support the franchising scheme as highlighted throughout this response, particularly given the discretionary nature of bus services at a time when there is significant pressure on local government funding. Collaboration between local partners, communities and employers to provide a consistent voice on these issues will remain important and EEH is committed to working in partnership to secure the long-term future of the region.

13. Fenland District Council

Email response from FDC has been compiled into the short answer questionnaire template.

What is the name of your business or organisation?

Fenland District Council

What is your position/title?

Portfolio Holder for Transport (Fenland District Council)

S1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: *The current bus service in Fenland-*

- In November 2023, Friends of the Earth in partnership with the University of Leeds published their latest independent research *How Britain’s Bus Services Have Drastically Declined*. When comparing local authority trip reductions per hour for weekdays between 2003- 2006 against 2023, Fenland has seen a reduction in services of 83.8%. This is the second worst figure in the Country. CPCA are aware of the significant withdrawals made by Stagecoach to the Fenland bus network in 2022, almost leaving many parts of the district with no bus services at all. For the regeneration of our district and to support economic growth people must be able to travel. Accessibility is not an option, its fundamental. This includes the 15.9% of all households that do not have access to a car. Fenland is becoming increasingly reliant on community transport provision to facilitate basic accessibility needs for many of our residents. This is a sector strongly dependant on volunteers and struggling to meet an ever-increasing demand as bus service reductions continue.

How well buses are performing at present?-

- The main covering letter from FDC highlighted the drastic decline in bus services that has been happening over the last 15 to 20 years. The seriousness of this decline should not be underestimated in respect of its impact in stifling the growth and regeneration Fenland.
- Local feedback from the Town and Parish Councils, FDC local members and the public, indicate that the current network does not meet local needs. There are access difficulties across the district for access to employment, education, medical appointments and evening economy travel.
- An ever-increasing number of bus services in Fenland are now locally supported, of those which are currently commercial many remain marginal. The bus network has been unstable for many years and is vulnerable to further change and service decline at any time. Without reform there is limited potential for improvement.

S2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: *Drivers to change –*

- FDC supports the principles for change. Improvements need to include network and service upgrades, integrated ticketing arrangements and a better range of discounts and season tickets for regular travellers, a better customer experience and at the heart of the change, a bus network that meets people’s needs.
- The challenge to deliver a rural bus services network is not underestimated, and specifically the financial viability of the approach including the difficulty of making such a network profitable. There is however good practice for rural bus services. For example, in Cornwall and Lincolnshire both

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authorities have invested significantly in their rural bus networks and have achieved sustained and improved bus patronage. Both authorities are building on that success with Enhanced Partnerships. There are also excellent case studies for rural bus services from other countries. We would refer you to the 2021 CPRE report *Every Village, Every Hour - A comprehensive Bus Network for Rural England* for further information. *Every village, every hour: A comprehensive bus network for rural England* (cpre.org.uk)

- FDC has also shown that locally led approaches do work to increase bus patronage and significantly improve the viability of rural bus services. This success is in no small part due to the community focus of the operator we have worked with on this approach. The current service 68 in Wisbech is an excellent example of what we have achieved to date. With further community engagement and enabling work there is greater potential for this service to become viable or to need limited financial assistance. Such an approach is both scalable and suitable for use across the rural bus network. This type of approach is also a core duty that would be implemented as part of a Community Bus Partnership.

The Bus Network Vision, service proposals and outcomes –

- FDC supports the CPCA vision for the bus to be a viable alternative to the car. This will offer local people a choice of how they travel, it will help to support climate change and offer equality of opportunity to the 15.9% of households in Fenland that do not have access to a car.
- However, we have questions about whether this is achievable, and especially in a rural area like Fenland. It is unclear from the report whether the CPCA proposals will deliver a convenient network. The desired frequencies of services (page 68 table 7-9) do not indicate a viable alternative network to the car in the Council's opinion and therefore is a query around the ability to deliver the CPCA outcomes for bus reform.
- P68 of the consultation document sets out a desired service frequency. The table is not as clear as we would like it to be, so we cannot fully understand the impact for the Fenland area. Equally though, it doesn't seem to address known gaps in the network such as evenings and weekends. Proposals for local rural services could be infrequent and for shorter durations. It is questionable based on the limited detail that service provision for Fenland will be an improvement on what is available now.
- P59 of the consultation document indicates that the bus reform outcome is to double the number of passengers (based on 2019/2020 levels) by 2030. Bus use in Fenland has been steadily declining since 2008/09 and therefore bus patronage by 2019/20 was very low compared with earlier years. Any doubling of 2019/20 passenger numbers by 2030 in Fenland will still be low levels of bus use. Such levels of bus patronage are unlikely to support existing and new services. Evidence shows this through the service reductions and changes to the network between 2019 and 2024. Ongoing instability of the bus network will not encourage new and greater bus use.
- From our assessment of the desired frequencies, there seems to be network gaps in the evenings and at weekends. These are core times where Fenland typically doesn't have bus services at present and where members of the public request the opportunity to travel. In this context, further work is needed to understand whether the proposal will achieve Value for Money and deliver any improvement to the bus network Fenland has at present.
- The desired and modelled level of bus service in Table 7-9 (p68) sets out the CPCA ideal or desirable bus network. This approach mentions busway, city, town and strategic services. Town and strategic services appear as every 60 minutes from 6am to 7pm. Local feeder services and links, which are likely to apply to most of Fenland, have no specific timings in the table and the text indicates a lesser duration of service with fewer vehicles. Current bus services connecting some of the towns are typically hourly at the present time, although not for the full period indicated above. The villages and more rural areas already have a much-reduced frequency of service that is typically, two hourly but often less. Based on this proposed model it is unlikely that anything beyond limited improvements will be achieved for the existing Fenland bus network.

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- It therefore seems that the CPCA ideal approach for buses doesn't resolve the issues that have consistently been raised over the last 10 – 15 years around what needs to change with Fenland bus services. It is also noted that whilst the CPCA ideal approach for bus services is set out, the modelling approach for the business case is a different proposal and for much lower levels of service. It is far from clear based on the information provided what level of bus service residents can expect. It isn't clear that the bus service in Fenland will be improved on the present level of service. Given the substantial costs to implement either EP or bus franchising it is reasonable for residents to expect substantial improvements to justify the costs and to show value for money.

Rural services and cross subsidy-

- FDC recognises the significant challenge with current bus service legislation and guidance restricting or prohibiting cross subsidy so that profitable services can support more rural services. FDC understands that EP does not offer cross subsidy unlike the franchising approach. Whilst this possible benefit of franchising for rural areas is understood, FDC considers that any benefit does not outweigh the significant risks with funding the franchising option. The Council would also want to see increases in bus services across Fenland which seems unlikely given the CPCA desired level of service discussed above.

Case for change-

- FDC supports the case for change. We fully recognise that do nothing is not an option. FDC also wants to see change. Improved access and transport are an essential part of the growth and regeneration of Fenland. Under the present bus system commercial networks are struggling, increasing reliance on public sector investment, limited or no opportunity for bus network improvements when substantial housing and jobs growth is the key priority. Change is needed to deliver and achieve the bus strategy. The bus network needs to meet local needs and support accessibility across Fenland.

S3: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A3: Comments in respect of the economic case –

- The business case report states that franchising offers better value for money for CPCA than EP. However, we note that in the business case that the BCRs for both approaches are very similar and that both have a high VfM - franchising 2.54 and EP 2.38. FDC has significant concerns about the franchising approach and specifically about the risks identified with this option. Given the high value for EP it is suggested that the franchising approach cannot be justified.
- The business case forecast for bus use shows significant growth and that this growth is sustained (page 70, figure 7-5), it isn't clear as to what evidence this forecast is based upon. The business case assumption is that growth is going to be significant and more specifically that it will be maintained and will continue over a long period of time. There doesn't seem to be any focus or assumptions on what happens if growth isn't achieved or cannot be sustained for the whole timescale as per the assumption. The effect of these scenarios on the business case and the BCRs also doesn't seem to be understood. Whilst the business case sets out a low growth scenario this also assumes either sustained growth or higher precept costs to cover the shortfall from lower patronage rates. It is suggested that additional sensitivity testing should be completed to better understand the implications of the risks around lower patronage. Alternative funding scenarios should also form part of any further testing.
- FDC notes the independent audit report of the Economic Case. Specifically, the assessors' comments that the business case does not fully reflect the downside risks that could impact the funding requirement. The report also raises questions and uncertainty about the information that CPCA has relied upon for raising projections of costs and revenue. The report even suggests that the economic case is relatively resilient to this uncertainty, provided proposals remain affordable. We note the concerns of the assessor that traffic data has been used to act as a proxy for bus patronage and that various impacts could mean that this data does not always correlate well. Given that several FDC concerns about the economic case have also been raised by the independent assessors this gives

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further concern for FDC about the risks associated with this approach and especially concerning bus franchising.

Outline Business Case Report-

- The presumption around the growth in bus patronage. There are many factors influencing travel choices at any time. Changes in income, affordability, the regeneration or decline of an area, new development, changes in personal circumstances leading to new or amended travel habits are just some of the influencing factors. The complexity of such matters should not be underestimated. It should also be acknowledged that such factors along with bus industry changes and requirements lead to fluctuations in patronage levels. FDC suggests that it is unrealistic to assume that bus patronage will automatically rise and continue to rise over a significant period.
- The Fenland area relies significantly on community transport. A situation which increases in magnitude as the bus services continue declining. It is critical that community transport is considered alongside bus reform and to ensure that Fenland residents have the maximum opportunity to travel. The Council is perturbed that community transport remains unchanged in the OBC, given its significance in facilitating local travel. FDC wants to see a stronger emphasis on community transport as part of any final bus reform proposal. This should consider its role and funding and opportunities to improve accessibility through links with the wider transport network. Community transport offers greater potential for improved transport links in the rural areas.

S4: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A4: Comments in respect of the commercial case –

- The six objectives of the commercial case have been used to compare the performance of franchising and EP. The six objectives are – public sector influence, best value, competition between bus operators, appropriate risk allocation, ease of implementation and recovery and flexibility. FDC supports these objectives to test the options in respect of the financial case. The Council notes that a detailed assessment of the two options in respect of the objectives is included in the report, however, there is no table, chart or commentary comparing the information side by side. It is disappointing that this was not provided as part of the business case. The absence of such information is therefore less easy to assess when making a comparison.
- Page 189 of the full assessment refers to the role of community transport and states that this will remain unchanged from its present form. Community transport, both dial a ride and car schemes form a significant proportion of the public transport network in the more rural parts of Fenland. This is largely because there is a growing need for this transport and because other provision is not available. In the Fenland context, FDC would like to see consideration being given to the relationship between the bus reform scheme and community transport. This is considered essential to create the network and level of service possible.

S5: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A5: Comments in respect of the financial case –

- The financial case of the OBC report sets out that franchising has greater financial risk but offers more control to CPCA than EP. It isn't clear as to how the greater control really justifies the risks. FDC has concerns about the substantial sums of money that are needed for the franchising option and how the benefits will materialise when it isn't clear that Fenland will even get a better bus service. Substantially improved and sustained new services will be needed to create bus growth in Fenland and to reduce risk. There isn't enough detail in the OBC report to confirm that such a network is going to be introduced.

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- The business case report has lots of references to external funding and to precept funding. FDC has concerns about the ability to secure the external funding and what happens if the money is not secured. Given the substantial greater financial risk and the need for external funding, it is suggested that the viability for the franchising option is unknown. The Council is aware of the proposed increases in the mayoral precept to assist with the scheme delivery. We question the affordability of this approach. It is unclear how Fenland residents, especially those within the poorest wards will be able to pay. It is also extremely hard to justify this for the same or similar level of buses that we have now. As the increased level of service to be expected is unclear, the benefit from the extra funding taxpayers will be expected to provide is unknown. Fenland residents need to understand what the extra funding will provide for them, assuming they are able to pay.
- It is evident from the business case report that both options are expensive. However, the difference in the costs is substantial and from an FDC perspective cannot be justified. Based on the report it is noted that the EP cost for the medium level is £6million capital plus £600k running costs. Cost of franchising in the first year is £41million plus £1.4million per year. FDC is perturbed about the affordability of the franchising option. It is suggested that the potential benefits are not fully understood, given the assumptions in the business case and the lack of scenario testing focusing on more limited growth.
- FDC notes the independent audit report and its large numbers of comments about the financial case. The scale of detail they raise on this matter is worrying along with their views about the assumptions and methodology used to produce the business case. This is also of significant concern to FDC.
- The council specifically notes the assessors' comments that the business case does not fully reflect the downside risks that could impact the funding requirement. The report also raises questions and uncertainty about the information that CPCA has relied upon for raising projections of costs and revenue. The audit report also asks decision makers to be aware of the real possibility that the funding requirement to deliver the service level assumed in the OBC could indeed be significantly higher than the central case presented. The assessors raise awareness about the sensitivity analysis in the financial case exposing potential risks associated with the estimates in the franchising case – particularly regarding fare revenue and operating cost assumptions – which could pose significant affordability challenges to the CPCA. The assessors believe the approach to addressing negative impacts in the modelling through changes to the mayoral precept is simplistic. They also raise questions about the Mayoral precept assumptions and the basic assessments of this approach. FDC has concerns in respect of these findings.

Outline business case-

- The business case needs to ascertain what would happen should bus patronage be lower than expected. This should extend to a range of opportunities and mechanisms and not be reliant on one or two factors such as increases in the Mayoral precept. There doesn't appear to be a range of proposals in the OBC to address this matter.
- Increases in the mayoral precept appear to be a significant component of the CPCA recommended approach. There also seems to be a presumption that if patronage levels fall that the precept can continue to be increased to support bus franchising. It is suggested that this concept is too simplistic given the complexity of both models for bus service improvement. FDC also has concerns about the ability of taxpayers to continue to cover increases in local taxation.
- It is unclear whether the external funding mechanisms are realistic and achievable. It is unclear as to what would happen should this funding not be secured and therefore how franchising would be achieved.

Potential sources of funding-

- CPCA assumption is that Bus Service Operators Grant (BSOG) funding will continue throughout the franchising period, it is far from certain that this will happen. Are the implications of this fully understood if BSOG is not available as suggested? The concerns that FDC has about proposed increases in precept levels and the ability of Fenland residents to pay is referred to in the financial case

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section above. It is also unclear what benefits residents will get from the increased precept given the uncertainty around proposed service levels. There are concerns about the assumptions and funding available from the transport levy.

- Estimates of income from bus fares need to be exercised with caution given how quickly and easily numbers of bus users can change. Given the concern FDC has about the potential for sustained growth in patronage set out in the business case report, it is unclear that the income from fares can be justified. It is concerning that the approach in the business case seems to suggest increases in precept funding if fare income is reduced. There is a strong relationship between the level of bus service to be provided and money raised from fares. With a proposed future level of service for Fenland, that is uncertain and unlikely to be improved against current availability, it is difficult to understand how passenger growth can be achieved.

S6: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A6: Public Consultation-

- It is noted that half of all responses to previous bus consultations from Fenland found lack of connectivity and accessibility as one of the most important issues. FDC supports and agrees with this. Based on the CPCA desired level of service it is unclear that this will be achieved within Fenland.
- Evidence that FDC and the Fenland Transport and Access Group have obtained through surveys and focus groups, indicates that residents want bus services that offer opportunities to access work, education, medical appointments, social visits and provides economy access. Access for local employment needs to support weekend working and evening working. Access to further and higher education needs to enable students to access a range of courses to suit their abilities, and not just in the nearby market town. Very often a course is available at one setting further away and buses are not available so the student cannot travel to their course of choice. Access to medical appointments, especially to hospitals is very difficult from Fenland. More direct services or improved frequencies would strengthen access to medical care for those without a car. These are the key matters that need to be addressed to support Fenland residents, the local economy and for growth and regeneration.

Relationships with bus operators-

- EP focuses on negotiation and a better relationship with operators. FDC has concerns about how this is more negatively approached in the business case and does not seem to be included as an opportunity. It is suggested that the introduction of EP is an opportunity to reset relationships with bus operators and to consider greater opportunities to work together. From an FDC perspective, we would welcome the opportunity to be part of this process. There are also many examples from other local authorities around what can be achieved to benefit local people when the bus companies and local authorities work better together. As mentioned above in Cornwall and Lincolnshire the County Councils are continuing to achieve success with their Enhanced Partnerships. It is suggested that such approaches and examples should be explored as part of an EP approach.
- Equally important for the Fenland area is the establishment of a Community Bus Partnership (CBP). The CBP will work with the local community and provide the links between local need and services. It will also work to develop proposals for bus services that meet community needs and therefore growing bus patronage. FDC already has a working model for this approach based on Wisbech bus service 68.

S7: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A7: NOT ANSWERED

S8: To what extent do you support or oppose the introduction of the proposed Franchising Scheme?

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A8: *Support for an Enhanced Partnership* - FDC supports the EP option. The primary reasons we support this option are as follows:

- The suggested benefits of this approach are high value at a BCR of 2.38
- The additional costs, whilst more than what is provided for current bus service provision, are more realistic and achievable. They will facilitate improvements for bus services going forward without very significant levels of risk
- EP offers potential to increase and improve local bus services
- FDC welcomes an approach that will facilitate new ways of working with local bus operators. We would also welcome an opportunity to be involved in this approach. It is our opinion that the EP option has potential to reset and improving working relationships with the bus industry to generate the ongoing improvements that are desperately needed
- The EP option provides substantially less risk to CPCA.

FDC acknowledges the risks with EP and understands that this provides less control on decision making for CPCA than bus franchising. However, we have serious concerns about the risks and financial implications associated with the bus franchising option.

In the Fenland context, FDC has repeatedly had conversations with CPCA colleagues making clear that we would like to see the Fenland bus network fundamentally reformed. Our preferred approach being to work with the public and stakeholders to commence a new network from the start. The current approach does not work, and we believe a more proactive and significant rethink is required to reforming current provision. We would also like to see the approach supported by the introduction of a Community Bus Network. Like the Community Rail Partnership approach, this is a proven concept to increase local public transport patronage. We would like to discuss this matter with CPCA in more detail to establish and fund the approach as part of the bus reform process.

The Council also wants to see integration between bus and railway services across Fenland. This does not exist at present. The excellent partnership working between FDC and CPCA in recent years has transformed Manea and March Railway Stations. We have received excellent feedback on these transformations from the public and stakeholders and the passenger use figures shown good increases in journeys. Bus and rail integration would enable both authorities to build on the regeneration work to date. Feedback from local surveys also suggests that members of the public who do not have a car would be able to make more railway journeys if they could arrive at the station by bus. The current LTCP refers to Fenland Railway Stations being transport hubs, integration with buses would enable this policy to be achieved. FDC would like to work with CPCA to achieve this approach.

S9: Are there any changes that you think would improve the proposed Franchising Scheme?

A9: NOT ANSWERED

S10: Do you have any further comments?

A10: NOT ANSWERED

14. First Bus

Please find answers to the long questionnaire below.

What is the name of your business or organisation?

First Bus

What is your position/title?

Bid Director

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: "First Bus currently operates services within the Cambridge and Peterborough Combined Authority ("CPCA") area, in the form of our "excel" services between Peterborough and Norwich along the A47 corridor. Along the full length of the route, we provide services up to every 30 minutes on Monday to Saturday daytimes, and up to every hour on Sundays, public holidays and in the evenings.

Reliability is high with little to no lost mileage, but on-time performance reflects the reality of running along an 80-mile (130km) route, making comparison with shorter local and urban bus services difficult.

We acknowledge the findings of the CPCA Bus Strategy 2023 which identified significant challenges with performance elsewhere in the CPCA area with "lower patronage post-Covid, cuts in commercially-viable services and increasing unreliability due to traffic and driver shortages" and support the drive for improvements in these metrics."

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: Yes, First Bus agrees that there is a need to take action to reform the bus market, in doing so supporting economic growth and social connectivity.

First Bus understands bus services are close to the heart of communities and is supportive of devolved decision making to determine which operating model works best for those communities.

First Bus will support whichever approach CPCA choose to pursue and would be happy to share experiences and ideas of variations/alternatives to a franchising model if that will be of help."

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: "First Bus does not consider there to be an alternative approach to Enhanced Partnership or Franchising.

First Bus will support whichever approach CPCA choose to pursue and would be happy to share experiences and ideas of variations/alternatives."

L4: Do you have any comments on the Combined Authority's overall objectives, as set out in the Strategic Case?

A4: "The Combined Authority's overall objectives are ambitious, seeking to double bus use by 2030, and reduce car kilometres by 15%.

We are encouraged and supportive of these aims, as they strengthen the case for communities to use the bus, and other modes of public transport including active travel. Achieving these objectives will require the Authority to undertake specific activities to prioritise bus use over alternative modes.

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First Bus recognise that transport solutions should be tailored to the local communities they serve, providing connectivity in a manner that suits their particular needs.

Some services might be best connected through an active travel solution with others better served by rail. Integration and accessibility to suitable transport solutions is most critical.

First Bus strives to make bus a true and attractive option compared to alternative modes, encouraging greater use of public transport through an improved offer, and in turn discouraging car use."

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: "Provided that sufficient protection through a permit regime is afforded to cross-border services, as proposed in the consultation document, there should be no adverse impact on neighbouring authorities.

Where cross border services are predominantly within CPCA and are designed to be within the franchised service network, the adjacent authorities should benefit from any improvements that are effected to these services and the vehicles that operate them, through the franchised service specifications."

L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

A6: "Our experience suggests that the process to implement Franchising will be longer than that required for the Enhanced Partnership (which could be established and operational within at most a year).

Franchising will take longer to achieve its best possible impacts, especially in a multi-operator environment with regulations and legislation limiting aspects such as pricing and service levels.

An EP+ could quickly achieve, in the right partnership environment, significant benefits as proven by our Leicestershire experience: recent independent verification that the First Bus depot is net zero-emission (August 2024), has resulted in punctuality improvements, increased customer satisfaction and increased value for money satisfaction. However, enhanced partnership models will not be able to achieve the full effects that can be delivered from the Authority having overall strategic control over pricing, route specification and frequency and integration of transport modes. There is also a risk that any benefits from an EP+ might be diluted should an optimal agreement not be supported by all operators.

Whichever operating model CPCA favours, First Bus is keen to support CPCA by sharing experiences and exploring solutions through partnership working and collaboration. Each approach will secure considerable benefits for bus users and other residents, businesses and visitors in the region."

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: "This is an area where CPCA needs firstly to be satisfied that the Franchising programme is affordable over its lifetime.

Provided that sufficient funding is available then the benefits from this approach will exceed those accruing from the EP and according to the evidence presented in the assessment, it will demonstrate better value for money than the EP, as presented in Table 7.11.

Without visibility of the model used to derive these results we are unable to comment further. However, the key issue is set out in para 7.114 – around full and guaranteed delivery of the Bus Strategy under Franchising whereas there would be more limited certainty under the EP."

L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: First Bus considers the six commercial objectives to be appropriate and sensible.

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L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

A9: "For both administrative and practical operational reasons we consider it is only appropriate to introduce the Franchising Scheme across the CPCA area in its entirety and including all bus services, apart from those excepted.

The alternative of adopting a different regime in different parts of CPCA would increase costs and inefficiencies for the authority and operators, and could be confusing and lead to mixed experiences for passengers – making it less likely to achieve the intended patronage growth outcomes."

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: "The timescale for commencing the process is reasonable.

First Bus consider a period of 9-12 months to be suitable for franchise contract mobilisation, particularly when new vehicles are to be cascaded or procured. Paragraph 7.168 proposes 8 months, a timeline that is consistent with the mobilisation period afforded to successful bidders on the recent Transport for Greater Manchester tenders. First Bus successfully mobilised its Rochdale depot operations for Transport for Greater Manchester within this timeframe.

The proposal from CPCA to make depot facilities available to non-incumbent operators prevents the need for this to be extended further, provided of course that these facilities are available for use in good time before public operations commence."

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: "It is important, particularly given the proposed sharing of risk between authority and contracted operators, that there is a sufficiently long franchise contract duration to enable bidders to amortise any risks, and to achieve sufficient asset life as to be able to submit reasonably priced competitive bids.

The proposed contract length would meet these requirements and offer the opportunity if needed to redeploy the vehicles from the midpoint of their forecast lives.

This length of contract enables the initial Franchising programme to be successfully implemented, initial initiatives delivered, and for a long-term strategy to be developed, ensuring value for money for CPCA."

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: "First Bus has no strong views on the proposed packaging of lots and the intended provision of depot facilities from CPCA would support this approach.

Sharing of depot facilities amongst multiple operators is possible with the support of clear contractual arrangements through a Service Level Agreement between joint occupiers.

This approach can help to effectively manage important practical considerations. For instance, if one occupying operator runs the maintenance workshop it may tend to favour its own fleet for such purposes especially when there is an excess of work over capacity and that can lead to inter-operator disputes. Vehicle parking for morning run-out is another important consideration when considering shared depot facilities.

An alternative approach is for operators to be permitted – or even required – to include a proportion of sub-contracted operation within their bids, thereby maximising the opportunities for SMEs. First Bus has considerable experience of this subcontracting approach and would be pleased to share this with CPCA."

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: "As well as our comments above in response to question L12, First Bus cautions against too complex or onerous a pre-qualification and bidding process.

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Experience to date with Franchising suggest that this can be a barrier to SMEs who have limited time and resource available for submission of complex forms, policy documents and guarantees and may be put off by the process, with a consequent reduced level of competition in the market and potential for these SMEs to be lost to the industry.

First Bus recommends a “light touch” approach for smaller contract packages that should militate against such an outcome."

L14: Do you have any comments on the approach to bus depots under Franchising?

A14: "This approach will maximise the opportunities available to “outside” bidders for contracts and for SMEs seeking to expand, without penalising larger incumbent operators, thereby increasing competition. The costs of using depot facilities provided by CPCA must be taken into account appropriately when evaluating bids to ensure that there is a level playing field between bidders.

As noted in our response to question L12 there will need to be clear contractual arrangements through a Service Level Agreement between joint occupiers regarding the operation and maintenance of services where depot facilities are shared between multiple operators."

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: "First Bus is supportive of this approach, with vehicles and equipment meeting specified standards set by CPCA, and tenderers remaining able to use their procurement and vehicle specification expertise along with commercial acumen to provide the most advantageous, attractive and cost-effective solutions – for passengers, and for CPCA.

CPCA’s proposed approach should help prevent any issues with vehicle specification or equipment choices that have not performed as well as expected, or cannot be readily integrated into operators’ technology architecture without additional costs and/or operational difficulties.

CPCA will need to specify how capital costs should be treated in terms of the evaluation of franchise contract bids, and how a difference of approach (for instance vehicle purchase, operating lease or hire purchase) will be evaluated on a fair and equitable basis.

First Bus notes the ambition for a zero emission fleet by 2030, which is ambitious, but achievable under the right circumstances and with the right investment profile.

First Bus has invested over £250m to date with over 16% of our fleet already decarbonised. First Bus is on track to meet its target date of 2035 for its entire 4,700 vehicle fleet to be zero emission, with 100% EV fleets operating local services in York and Leicester, and our Roundtree Way depot in Norwich operates 100% EV for all routes."

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: "First Bus use a standard approach for managing the transfer and recruitment of staff, that fully complies with the legislative principles of TUPE used in the UK and ACAS guidance. This ensures staff transfer under their existing terms and conditions (e.g. wages, taxes, pensions, and benefits).

First Bus recommends that CPCA open discussions with existing operators, Trade Unions, and potential bidders at the earliest opportunity to mitigate any risks associated with the TUPE process and maximise benefits for all those affected by the proposed Franchising Scheme."

L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: "Continuous monitoring of qualitative and quantitative insights to drive performance is essential to ensure Franchised services meet defined quality standards and help CPCA achieve its identified objectives.

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Wider stakeholder and market engagement in timescales proposed will help to ensure the Franchising Scheme continues to meet developing stakeholder aspirations."

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

A18: "First Bus welcomes the shared risk approach with operators able to bid on a "risk and reward" basis. Not only does this have the potential to reduce the total costs to CPCA, it also incentivises tenderers to exceed their contract obligations in order to attract more patronage and increased revenue and drive continual improvement.

Engaging prospective operators in network design activity maximises professional expertise and knowledge within the sector, resulting in a network that can be operated more efficiently whilst ensuring high levels of punctuality and reliability are retained."

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A19: "Adopting Franchising will undoubtedly maximise the opportunity for CPCA to design and manage a bus network that meets its objectives. This could not be achieved in the same measure by any other delivery mechanism.

The proposed risk sharing and involvement of operators in designing the network and specifying their own vehicles and systems should maximise the benefit derived by CPCA through added value, compared with an approach where the authority specifies all systems and detailed requirements."

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: "An Enhanced Partnership would offer considerable scope for improvement to services, but the need to secure the cooperation and agreement of operators will inevitably lead to a degree of compromise between parties.

First Bus notes from Table 7.18 proposed commitments for CPCA under the headings of "bus priority", "roadworks" and "new development" and strongly recommends that these are given equal prominence and priority under whichever approach CPCA choose to pursue."

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole network and there would be more reliance on negotiation with bus operators. Do you have any comments on this?

A21: "As well as a different benefit profile there is a different risk and cost profile to CPCA between the two alternative approaches. To achieve the objective of control increases the cost (although this is mitigated by the proposed sharing of risk, compared with other franchise models).

An EP+ could achieve, in the right partnership environment, benefits quickly as proven by our Leicestershire experience: recent independent verification that the First Bus Leicester depot is net zero-emission (August 2024), punctuality improvements, increased customer satisfaction and increased value for money satisfaction. However, enhanced partnership models will not be able to achieve the full, optimal effects that come from the Authority possessing overall strategic control over pricing, route specification and frequency and integration of transport modes.

First Bus has experience of working under successful Franchise regimes (having a contract as part of TfGM's Bee Network in Rochdale), as well as under successful Enhanced Partnership regimes including Leicester, Portsmouth and Norfolk.

First Bus will support whichever approach CPCA choose to pursue and would be happy to share experiences and ideas of variations/alternatives."

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L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: "CPCA clearly seeks to minimise the risks of not meeting its commercial objectives through the adoption of a Franchised approach to bus service delivery as there is far greater control exercisable over the entire operation, and the risks of external market forces impinging on the ongoing stability of operation would be practically eliminated.

However, the approach proposed for Franchising whereby contractors would have the opportunity to seek continual improvement and rewards would maximise the added value available by incentivising innovation and growth.

Overall CPCA would be best able to meet its commercial objectives through the proposed Franchised approach."

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: The additional marginal costs of the Franchising approach as set out in the appraisal appear to yield considerably greater benefits over this longer period (to 2052) and justify the additional spend, provided that secure sources of funding (as proposed) are guaranteed over this period.

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: "The proposed use of local transport levies and mayoral precepts under both Franchising and Enhanced Partnership is an innovative way of securing local funding that delivers local improvements and reduces the risk of reliance on other, external funding sources such as central government.

It also potentially reduces the political risk as local politicians, stakeholders and residents can clearly see where the money they are contributing is being spent, and can potentially influence these spending decisions accordingly. National elections and regular spending reviews may affect, over time, the level of funding available to CPCA and First Bus recognise that this might affect the bus network irrespective of the operating model chosen by CPCA."

L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: "As stated in the consultation documentation, the Financial Case for franchising does require additional expenditure to deliver the benefits. This though is acceptable so long as the funding is in place and is secured long-term. The same argument stands for EP+ as well.

Whichever operating model CPCA favours, First Bus is keen to support CPCA by sharing experiences and exploring solutions through partnership working and collaboration (e.g. financial risk mitigation such as Residual Value Mechanism for fleet).

Each approach will secure considerable benefits for bus users and other residents, businesses and visitors in CPCA."

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: "First Bus recommend CPCA discuss with other Mayoral Combined Authorities with recent experience of Franchising or Enhanced Partnership to understand resource requirements for both the Franchising process during transition, and then subsequently in "steady state" operation.

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First Bus have a wealth of in-house expertise and experience that is available to support CPCA should it seek external consultancy (e.g. network planning and service development, and marketing/information/branding)."

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: "Only the bus can affordably, flexibly and rapidly get Britain moving again. Buses are the key to unlocking economic, social and environmental benefits - no other asset delivers so quickly and effectively across so many different challenges, including congestion, carbon and poor air quality.

CPCA has an essential role to play in ensuring that bus priority measures, effective highway management and enforcement (including roadwork management), help to free the bus and increase reliability by tackling congestion.

Every £1 spent on investment in local bus priority measures can deliver up to £7 of net economic benefit, including £2.3bn direct benefit to customers by speeding up journeys; and £2bn in improved access to jobs (KPMG, an Economic Evaluation of Local Bus Infrastructure Schemes, 2015).

The approach proposed by the Authority is appropriate as it transfers responsibility and accountability for certain responsibilities as well as the risks that are inherent with these particular tasks. The list of responsibilities to be undertaken by the Combined Authority (paragraph 7.249) will enable the Authority to manage the risks accordingly and take responsibility for delivery of the objectives that are planned from exercising this change. This approach moreover enables the Operators to focus on delivering the bus service and the wider obligations required by the contract."

L28: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A28: "First Bus has no specific comments on the Combined Authority's draft Equality Impact Assessment (EqIA).

First Bus recognises that the success of our business depends on our people. To better understand and meet the needs of the diverse customers and communities we serve, we are committed to increasing the diversity of our workforce.

We value diversity in capabilities, experiences, perspectives, and approaches and are committed to creating a diverse workforce and inclusive culture that is important for both our people and our business to thrive.

We recognise that attracting and retaining people with different backgrounds and experience requires an inclusive culture where everyone feels valued and respected. While we are proud of the progress being made in many areas, we acknowledge there is still more to do to in order to create an inclusive workplace for everyone."

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

A29: Tend to support. First Bus supports the introduction of franchising by CPCA and the potential benefits that it will bring to those who live, work, study in and visit the area. Franchising enables the Authority to implement initiatives to prioritise bus use and sustainability, and improve service provision and customer experience in a cost effective manner.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: "Both Franchise and Enhanced Partnership proposals would benefit greatly from a far stronger emphasis on infrastructure improvements and bus priority.

Whether the costs are borne by operators or CPCA, the impacts of congestion are ultimately a cost impact on bus users – and serve to prevent many people from choosing bus as a transport mode.

Traffic congestion requires bus operators to invest in additional vehicles and drivers to deliver the same level of service as they are required to ameliorate the impact of unpredictable journey times and delays. This also

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results in longer and more variable journeys for passengers who continue to drive as they feel they cannot rely on the bus to get to their destination on time – thereby adding to congestion and exacerbating the problems.

CPCA has already made great strides to reduce these problems through their far-sighted investment in the Busway and Park & Ride facilities, but other opportunities for further improvement can still be achieved. A move to Franchised operations may be the window of opportunity for making radical road space reallocation plans a politically acceptable solution today, as the cost savings and modal shift will be seen to benefit CPCA and the local community, rather than the bus operators.

First Bus notes from the Auditor’s report and CPCA response that in large part the passenger benefits come from incentivised bus service “reliability” improvements under franchising. It will be necessary for CPCA and successful contracted Franchise operators to work together in partnership to design and implement measures to address congestion to enable more efficient and more punctual franchised service operation. By this means, reliance on quality incentive payments to guarantee punctuality under the Franchise may save CPCA money and can also deliver the growth targets for public transport."

L31: Do you have any further comments?

A31: First Bus would be pleased to discuss our response in further detail, and share our experience with Enhanced Partnership and Franchising, supporting CPCA regardless of which approach it chooses to pursue.

15. Lincolnshire County Council

Please find answers to the long questionnaire below.

What is the name of your business or organisation?

Lincolnshire County Council

What is your position/title?

Support Services Manager

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: There are a number of cross-boundary services from Lincolnshire to Peterborough and there are no specific issues with punctuality or performance.

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: NOT ANSWERED

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: NOT ANSWERED

L4: Do you have any comments on the Combined Authority's overall objectives, as set out in the Strategic Case?

A4: We support the schemes objectives. Most LTAs have similar overall objectives including ours around Economic Growth, Future Ready and Green Transport, Support safety, security and a healthy lifestyle, promote high aspirations and Improve Quality of Lift.

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: "Whilst we support the scheme objectives, we note that the Franchising Option being pursued whereby the CA will look to share responsibilities and risks with operators. We also note that you have identified service exemptions where any contracts operated by LCC will be exempt, commercial services that largely serve markets outside of C&P and services with more than 90% of their registered mileage in a neighbouring area. Whilst that option of franchising is preferable, we would seek clarification of any conditions attached to the service permits and whether they would have any unintended consequences on the viability of these routes.

Table 7-8 sets out the policy impacts on neighbouring authorities of an EP or Franchising which states that both options will have a neutral/minor impact. We would support that you have added that there will be no impact on frequency or timetable on several strategic bus links. Could we have clarification on what you define as strategic bus links – is it cross-boundary?

LCC manages a Callconnect DRT service throughout Lincolnshire. We are seeking clarification on the following:

CallConnect 4P – Stamford and Peterborough CallConnect, this is jointly funded between LCC and CPCA and you are the biggest contributor. Can we seek clarification as to whether this will be exempt?

CallConnect 48 – Wittering to Peterborough (A fixed route contracted by LCC but entirely within CPCA area) – can you confirm this would be exempt as whilst it is in your area it is contracted by LCC?"

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L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

A6: NOT ANSWERED

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: NOT ANSWERED

L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: NOT ANSWERED

L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

A9: The question makes reference to Section 7 paragraphs 7.155 and 7.160 and there is no reference to DRT services in this section. Again, as stated in other questions we would seek clarity on Callconnect contracts currently operating in CPCA.

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: NOT ANSWERED

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: NOT ANSWERED

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: NOT ANSWERED

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: NOT ANSWERED

L14: Do you have any comments on the approach to bus depots under Franchising?

A14: NOT ANSWERED

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: NOT ANSWERED

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: NOT ANSWERED

L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: NOT ANSWERED

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

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A18: NOT ANSWERED

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A19: NOT ANSWERED

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: NOT ANSWERED

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole network and there would be more reliance on negotiation with bus operators. Do you have any comments on this?

A21: NOT ANSWERED

L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: NOT ANSWERED

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: NOT ANSWERED

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: NOT ANSWERED

L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: NOT ANSWERED

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: NOT ANSWERED

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: NOT ANSWERED

L28: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A28: NOT ANSWERED

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

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A29: Neither support nor oppose. As a neighbouring LTA we are not commenting specifically on your proposal. We want to ensure that there are no adverse impacts on any cross-boundary operations and to seek clarity on your future DRT plans.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: NOT ANSWERED

L31: Do you have any further comments?

A31:

We note that there is criteria for determining exemptions to franchising including cross-boundary services. We welcome the opportunity to engage with you to understand the requirements of a service permit scheme and the opportunity to understand any adverse impacts on our current network.

We hope that no changes have an impact on the number of commercial cross-boundary routes which in turn may have a financial impact on LCC. Likewise we expect no increase in costs of our tendered cross-boundary bus services.

Set out below is the list of cross-boundary services from Lincolnshire.

Current Cross Boundary Services from Lincolnshire

Commercial

- Delaine 101/102 – Morton-Bourne-Deepings-Peterborough
- Delaine 201/202 – Bourne-Stamford-Peterborough
- Blands 180 – Yarwell to Great Casterton College (Commercial)
- Blands 190 – Stamford-Oundle school (Commercial)
- Fowlers 43A – Sutton St James-Wisbech (Contracted)
- Fowlers S138S – Tydd St Giles-Spalding schools (Contract)

CPCA Contract

- Stagecoach East 27 – Stamford-Wittering-Peterborough

LCC Contract

- Stagecoach East 37 – Spalding-Peterborough
- CallConnect 48 – Wittering to Peterborough (A fixed route contracted by LCC but entirely within CPCA area)
- Stagecoach East X12 – Peterborough-Boston-Skegness (Seasonal)

Contracts supported jointly

- Stagecoach East Midlands 50 – Long Sutton-Wisbech
- CallConnect 4P – Stamford and Peterborough CallConnect"

16. Office of the Police & Crime Commissioner

Please find answers to the short questionnaire below.

What is the name of your business or organisation?

Office of the Police & Crime Commissioner

What is your position/title?

CEO

S1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: We have no comments to make into the effectiveness or efficiency of the bus service across Cambridgeshire and Peterborough.

S2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: An overarching case for change was presented on 19 September 2024 at the Civic Suite in Pathfinder House, Huntingdon. It is also included in the Consultation document. We have no specific comments to make in relation to the Strategic Case.

S3: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A3: The Economic Case as presented on 19 September 2024 suggested that Franchising did offer better value for money to the Combined Authority. We are satisfied that an outline of the relationship between the costs and benefits was presented. The only further comment we wish to make is that it is essential that all public sector organisations achieve VFM.

S4: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A4: No further comments on this element.

S5: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A5: A Financial Case for franchising has been made. This should be subject to due diligence. Financial risks were identified. It is for the CA to determine their appetite for risk and to ensure that they have robust plans in place to mitigate those risks.

S6: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A6: The Management Case was set out for both options. The management case as presented supported the CA's business justification for Franchising.

S7: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A7: No further comments to make.

S8: To what extent do you support or oppose the introduction of the proposed Franchising Scheme?

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A8: Neither support nor oppose.

S9: Are there any changes that you think would improve the proposed Franchising Scheme?

A9: NOT ANSWERED

S10: Do you have any further comments?

A10: NOT ANSWERED

17. Peterborough City Council

Please find answers to the long questionnaire below. Peterborough City Council also submitted an answer to the short questionnaire.

What is the name of your business or organisation?

Peterborough City Council

What is your position/title?

Service Director for Infrastructure and Highways

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: Bus services in Peterborough are operating well, we have two main operators one being urban and one rural. Some services and Rural areas of the City are lacking regular routes and some lack connection in general, we also have issues around cross ticketing, at present the two main operators do not accept the other tickets to allow for a complete transport solution, as such this is causing increased costs for those access the city from rural locations. The pandemic affected a number of services and reduced the frequency of some services. Although there has been some improvement since, not all services are back to pre-pandemic levels.

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: By reforming the bus market, it should allow for service routes to be optimised to offer what residents require not always on a commercial basis and offer greater competition to drive down prices. Multi-operator ticketing will be a significant benefit for some passengers.

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: Not at this stage

L4: Do you have any comments on the Combined Authority's overall objectives, as set out in the Strategic Case?

A4: The objectives set out a clear ambition to both improve the environmental credentials of the CPCA area aiming to reduce car use by 15% by 2023 but also offering a more value for money service to residents. It is key if we want to increase bus patronage that we offer a service that is fit for purpose and robust we cannot be seeing regular service failures or gaps in geographical areas, we also need a price point and frequency throughout the day and optimised services in the evenings that makes bus transport a viable option to those currently using cars.

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: Whilst Enhanced Partnership gives greater control it still does not allow authorities and the CPCA to set the direction of travel and push for a better offering that is more resident focused not commercially focused. The one concern with Franchising is the monetary aspect and how the service will be funded, the residents of Peterborough need a good service to enable them to access work, leisure, and health but it needs to be at a price point both through precepts and tickets that is achievable and accessible for all.

L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

A6: The impact of introducing such schemes should have a positive impact on bus patronage and help to deliver our climate ambitions. Current routes and timing are sometimes acting as a barrier to use so bringing more control into the CPCA should allow us to champion a service that is fit for now and to develop and grow with the city. Enabling cross ticketing would enhance the offering in Peterborough bring greater connectivity and impetus to move from car use to buses.

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: It is evident from the economic cases that both Enhanced Partnership and Franchising offer both monetary and non-monetary benefits to the CPCA, enhanced routes should benefit us socially, environmentally, and economically. However, to realise the full benefits the CPCA need to have overall control to set routes, times, and tickets which although Enhanced Partnership allows you to influence, only Franchising will give the full control.

L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: The six objectives are well blended to offer a commercial aspect to ensure routes are still viable to the commercial market so we will get bids for the lots. However, it also ensures that residents and the CPCA are getting best value linking back to the core ambitions of the CPCA. It is also clear from these objectives that if this is taken forwards implementation of routes should be carried out in a way to reduce risk but also offer robust services to deal with any disruptions etc.

L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

A9: By grouping the routes into Lots it should allow for greater competition on delivery with some smaller firms being able to compete against national companies. This should help to bring about more competitive standards and greater levels of service to residents. The one concern would be available space to potentially locate several bus depots around the city or one large enough to accommodate several companies.

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: By splitting the lots and period between the tenders this could cause larger operators not to bid if they are not getting economies of scale and could mean bringing forward depot locations could be restrictive without the capital investment. Would it be feasible to tender all routes together in Lots so all franchised routes can commence concurrently?

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: Offering a longer contract enables operators to phase their capital investment in fleet and as we look towards moving to EV buses we will need considerable investment. The long-term certainty also allows operators to have a stable footing to build on their services and image. However, we would want to see firm KPI's and break / failure clauses if operators did not deliver to specification.

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: "The concern around packaging the services into 'Lots' will need to be managed correctly to ensure they are commercially viable to operators but also linking services all come online simultaneously. Phasing of the bidding process could cause some issues and should be looked at to see if we can optimise the bidding process by geographical area to ensure there are no gaps in service.

Looking at different aged vehicles could open up opportunities for smaller bus operators to bid for services however there should be a clear ambition to move all vehicles to be EV buses by no later than 2030 and these should be clearly demonstrated in the bidding process."

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: By breaking the routes into smaller Lots this should help smaller and medium-sized bus operators to be able to compete and bid for routes. The only concern is if this makes some routes less commercially attractive to larger operators to invest.

L14: Do you have any comments on the approach to bus depots under Franchising?

A14: "Providing a larger depot in Peterborough would be beneficial as the current location of the bus depot is not in the best geographical location and is detrimental to the social and economic aspects of the current area. The proposal to share a larger depot is one to be explored further however we need to factor in that there may not be space to allow for separate garages, fuel and charging facilities so how would this work in principle between multiple operators.

The smaller operators would not be offered a depot under this proposal however this may detract some from bidding if they currently do not have an area presence, if there is potential for a shared depot to be offered with the routes this could increase those that would potentially bid."

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: Operators should remain responsible for all equipment they use to ensure it is well maintained and kept to a high standard, operators should also have better knowledge of the specific requirements and most cost-effective systems.

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: If employees are protected under TUPE to ensure their terms and conditions are protected this would be acceptable and would also ensure we retain the knowledge from the drivers of the geographical area.

L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: Regular consultation and feedback are key to enable Franchising to work and to gain resident buy in and trust for the services. We need to ensure the routes we deliver meet the needs of residents and these needs will be fluid as the city grows and changes so through regular feedback, we can ensure the services do also.

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

A18: A lot of risk is sitting with the CPCA so this will require regular communication with Local Authorities and commercial operators to ensure all are happy with the services and take on constructive advice from the commercial operators.

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A19: Some of the key challenges as detailed around getting a competitive market and bids for routes will be challenging and it needs to ensure a blend of routes that still give interest to the larger operators but also offer opportunities to smaller firms to enter the CPCA area. Resourcing is also going to play a major factor and having the right skills in the team will be essential to developing routes and fare structures. It notes the team is already growing but this work will be over and above the current workload so more significant investment in resources will be required.

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: "The assessment is clear and demonstrates a fall-back option if Franchising is not progressed to Utilise Enhanced Partnership, this would take a lot of control away from the CPCA and would bring greater risk in influencing operators. Delivery of ambitious public transport improvements could be delayed however the mitigations do show some great collaborative work with operators is already happening.

It also talks about still inviting small operators to the Enhanced Partnership meetings however this would not enable these operators to break into the CPCA area as they will not be able to compete with larger operators on an even playing field."

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole network and there would be more reliance on negotiation with bus operators. Do you have any comments on this

A21: The reliance for negotiation under the Enhanced Partnership option would not give us enough power to bring about fundamental change to services and ticketing. Franchising does come with its own risks around the commercial knowledge, but it should offer greater flexibility to change timings, routes, and pricing of tickets to meet the needs of the resident.

L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: Franchising offers much more control and is not reliant on operator negotiations as such it will give the CPCA the power to enact their objectives to offer the best option for the CPCA commercially instead of the commercial operator.

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: Both Enhanced Partnership and Franchising will require substantial investment and the way this is funded will be key, good local transport services are key to delivering both carbon savings and opening the city for all residents. We also need to be mindful given the current pressures on local government that we do not overburden authorities with additional costs or that residents are not overly taxed to prop up services as this could lead to residents resenting the service and as such not utilising it.

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: "Through Franchising the CPCA will have greater flexibility to set fare levels and instigate cross ticketing this should as a result see an increase in bus patronage resulting in a greater income from fares.

It is key we look to reinvest the fares into the services and not over burden the taxpayer to fund these services as this could be seen as having to pay twice, tax and tickets.

The additional precept does however break down over a 12-month period so in financial terms this is another lower cost avenue for the services to be supported. Looking at the potential £71 as set out by the OBC assessment report this would be a cost of circa 19p per day for residents."

L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: Although Franchising carries more risk it does enable greater flexibility in service and control for the CPCA as a result this should enable them to build services that are fit for the city not just for commercial gain. Though Enhanced Partnership still allows some influence it fully relies on negotiation and does not give the CPCA the

powers to direct the way routes are planned, priced, or timetabled. As such greater risk should return more reliable services that offer greater flexibility to residents and allow for growth within the transport sector, and as a result increase fare income to reinvest in the service.

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: It is key when moving into the commercial sector that the right staff are on board early, there will need to be a robust team that understands route optimisation, commercialisation, and marketing. These new services will need to be built with the needs of the residents but also to ensure they are making a profit to reimburse into those services that need to be subsidised. These skills will currently sit within the commercial sector so there will need to be a strong offering to bring these skills over to the CPCA. It is imperative though that this is not swallowed up into existing staff 'day jobs' if the franchising is going to be a success.

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: "The management case clearly sets the full end to end service, and it is good to see the engagement with other interested parties as being one of the key bullet points. If Franchising moves forward it is essential that we engage all stakeholders when building the new services and routes and maintaining this consultation post implementation will ensure the services deliver to the needs of the public. Looking at the various roles and outputs the CPCA will need a substantial team to deliver on this works.

Research and development and provision of supported services will be needed and early on as routes will need to be fluid to meet demand, we feel it should also address all transport requirements including Home to School Transport. Many children are transported to schools via taxis or minibuses we need to optimise the use of public transport to reduce these single occupancy journeys offering both monetary and carbon savings.

The idea of having one common branding is good and shows that services are all connected at present we have several brands in the city, and this indicates the routes are not joined or connect. Also, through this dealing with all customer interactions around service standards, queries, and compliments will give a much-improved service to the public as it will offer one central location for all queries. There should be a clear aim to drive the branding so that when residents see these buses it is epitomised with good levels of services, respectful and polite staff members and cost-effective routes. As the brand grows and with it the trust we should see increased levels of patronage as a result."

L28: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A28: The EqIA sets out many positives that Franchising will bring and looks at how services can be more accessible and both through a physical access and costs of fares. Setting a clear standard that will be replicated across all services gives a high consistent level of service.

The more negative area around increasing patronage could affect seat availability and the digital aspects are fully mitigated in the EqIA and should over time see an increase in buses on the network alleviating the concerns around seat availability. It was also good to read around the further training for drivers on the customer service aspects these should offer a common level of services across all routes.

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

A29: Strongly support. Bus Franchising should offer a more reliable and resident led service for the city bringing about greater patronage and less reliance on other modes of transport such as cars. If the Franchising is done correctly so that all parties are involved in the setting up of services and ticketing etc this should be a great addition to the CPCA area, the finances will be challenging and this needs to be overcome in the constructed way so that Franchising is not seen as a negative. Once implemented the way the services are managed and delivered will be critical in seeing the increased patronage the report details how you will manage the service

and offers excellent standards which if adopted should be very well received. To that extent we offer support to Franchising but reiterate it is key that we are part of the development and engagement on all aspects, so we ensure it is delivered with the residents and not seen as being forced on them.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: "Ensuring if the proposal is to put routes into 'Lots' they are commercially viable so we get enough interested companies to bid for the routes and investigate further the use of shared depots to ensure this can logistically work for operators.

Finally look at the phasing of when the routes will be released to bid for to ensure we get enough interest from all parties."

L31: Do you have any further comments?

A31: In Summary Peterborough City Council supports Bus Franchising taking on board all our comments in all the previous questions on how this should be best delivered.

Please find answers to the short questionnaire below.

What is the name of your business or organisation?

Campaign for Better Transport

What is your position/title?

Vision Rehabilitation Worker

S1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: People with a visual impairment rely on bus drivers to inform them when their stop has arrived. This is often difficult when bus drivers have language difficulties, where they forget and when drivers switch without informing the other that there is a visually impaired passenger onboard. Drivers should have regular sensory awareness and disability training. This should be regular to ensure that new drivers are aware of the needs of people with a visual impairment and other disabilities along with refresher training opportunities for existing drivers.

S2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: I feel that audio announcements of each stop on buses would support people with sensory and neurodiverse disorders to travel better. This would make it possible for them to identify for themselves when to get off at their required stop. A vibrating button to notify a deafblind person of their stop would also be useful for those that have dual sensory difficulties.

S3: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A3: No comments.

S4: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A4: No.

S5: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A5: No.

S6: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A6: Both should make bus travel accessible for people with a visual and hearing impairment and continue to cater for the needs of all with disabilities.

S7: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A7: People with a visual impairment rely on bus drivers to inform them when their stop has arrived. This is often difficult when bus drivers have language difficulties, where they forget and when drivers switch without informing the other that there is a visually impaired passenger onboard. Drivers should have regular sensory awareness and disability training. This should be regular to ensure that new drivers are aware of the needs of people with a visual impairment and other disabilities along with refresher training opportunities for existing drivers.

I feel that audio announcements of each stop on buses would support people with sensory and neurodiverse disorders to travel better. This would make it possible for them to identify for themselves when to get off at their required stop. A vibrating button to notify a deafblind person of their stop would also be useful for those that have dual sensory difficulties.

S8: To what extent do you support or oppose the introduction of the proposed Franchising Scheme?

A8: Neither support nor oppose.

S9: Are there any changes that you think would improve the proposed Franchising Scheme?

A9: Accessibility for people with disabilities.

S10: Do you have any further comments?

A10: Please make the suggested changes so that people with a sensory impairment can travel independently on par with sighted people. Being visually impaired and/or hearing impaired can be very isolating and debilitating. Therefore being able to travel independently plays a great part in improving a person physical, emotional and social wellbeing. Having bus services that are supportive to the needs of people with disabilities can have a profoundly positive impact on many people's independence, self perception and their self worth. Thank You.

18. Ron W Dew & Sons Ltd / Dews Coaches

Please find answers to the long questionnaire below.

What is the name of your business or organisation?

Ron W Dew & Sons Ltd t/a Dews Coaches

What is your position/title?

Commercial Manager

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: "Dews acknowledge the need for the change and share the goal for improving the current bus service network. Whilst some services are performing well, we recognise where enhancements can be made. Seeing that collaborative working and sharing knowledge is the best way to improve, we entered into the CP Bus Alliance this year with other local operators. This summer with CPCA, the Bus Alliance and our own marketing team we have introduced and promoted tiger passes which has seen passenger numbers in the under 25s numbers rise substantially. We continue to integrate multi operator tickets and invest in the best future proof, ticketing technology, to make travel as user friendly and attractive as possible.

We identified that the new developed Enterprise Zone at Ely was insufficient provision for workers connecting by rail and commuting out of the city, as opposed to into the city. In partnership with CPCA we have developed and branded the Zipper bus to great success and have invested in our fleet, staff and bus stop improvements.

Working in collaboration with Stagecoach, lending our local expertise and resources, we have expanded and improved the 904 service linking Huntingdon to Peterborough.

Being on the front line of CPCA supported services, we can see the gaps in provision and the challenges that deter service users. Traffic, congestion and roadworks are something that us as service providers cannot change and more commonly have to reactively resolve interruptions to the network, rather than proactively schedule."

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: By forming the Bus Alliance, we have shown commitment to provide the best possible service and a willingness to improve with a collaborative approach to the network. The Alliance acknowledges having a reliable and attractive network will improve economic growth. Achieving an Enhanced Partnership with CPCA would ensure the shared goals of a robust, reliable and sustainable transport network that can be achieved for all users.

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: "Dews have always been looking toward improving the network. Historically the bulk of our work has been CPCA funded routes, with the current bus department operating with a combination of 75% CPCA funded routes; acquired through tender process, with specifications, schedules, timetables already set by CPCA. The remaining 25% are commercial routes, that we have introduced where we saw a need and opportunity for improvement around our CPCA services; either taking sole risk or in collaboration with other operators and developers.

Enhanced Partnership would draw upon all the local knowledge acquired by operators in the area, whilst securing the necessary government funding. Dews being the front line for these services, we have direct feedback from service users and drivers. We can identify where the county's requirements, have changed faster than the network. Another facet of our business which gives us insight, is private hire, where we also see a shift

in when and where people travel. Company funded recruitment and staff movement has become necessary since Covid, due to the huge increasing in online sales and in turn warehousing. This local understanding is not inherent in consultants, who will be leading the way with franchising.

Franchising as proposed in the consultation, is to begin to be rolled out in 2027, we feel that an Enhanced Partnership could be expedited as the foundation and desire for collaboration is already well established."

L4: Do you have any comments on the Combined Authority's overall objectives, as set out in the Strategic Case?

A4: "We agree that the objectives will successfully work towards the outcome. They align with the essence of the Bus Alliance already in place.

- 'To deliver a comprehensive bus network, better connecting people to places across the region and beyond'

Using local operators knowledge in partnership, can improve the network faster and more comprehensively than franchising. Rural routes need necessary improvement, there is no proposal for how that will be quantified in strategy.

- 'To achieve a transition to a modern, low emission bus fleet'

The supply chain of new buses has not recovered post Covid, making new vehicles in short supply, with long lead times. Operators experience of sourcing and integrating new fleet, should not be overlooked. Dews have had many trials (with more scheduled for Jan 2025) with electric service bus vehicles and have not yet found a vehicle suitable of the challenges of the rural network and the current lack of infrastructure. This CPCA area is diverse and will need a considered, appropriate fleet for the greatest efficiency and lowest emissions – Operators are the experts in this area.

- 'To provide a more understandable bus network with clear information and easy ticketing' 'To achieve an affordable bus network, with simplified and capped fares'

This is already being developed. Dews use the market leading ticket machines, with tap on tap off facilities, multi bus and plus bus ticketing that are multi operator. We can achieve more together.

- 'To reduce bus journey times and improve reliability'

Whilst Operators can continue to safeguard against delays by having proactive Operational teams, train drivers on efficiency, ensuring fleet standards, by investing in robust maintenance procedures and live defect reporting software; there are external factors that dictate service level performance. Congestion, roadworks planning and lack of bus priority are a detriment to public perception. Working in collaboration to introduce bus priority must be considered – this is not included in Franchising model and would make a substantial impact in attracting users.

- 'To provide high quality passenger waiting facilities'

Will there be improvements on facilities already available, what impact logistically will that have on the network, and will drivers be considered in the decision making process? Currently any routes we have any influence upon, we ensure that drivers have safe and conveniently timed places to stop. Dews employ a diverse team of local drivers, whose comfort and safety is paramount to our operation. With a national shortage of bus drivers, a balance must be achieved that is passenger experience driven but understanding of the driver's needs; Operators are uniquely placed to consult on these requirements."

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: "Bedford, Rutland, Hertfordshire, Lincolnshire, Suffolk, Essex, Northampton all have entered into Enhanced Partnerships as a method of delivering best service in their area. They are seeing results as the Enhanced Partnership approach is compatible with rural and rural/urban areas. Lincolnshire, who through their Enhanced Partnership Plus schemes have increased their patronage by 150,000 passengers overall.

Franchising has only been implemented in City's previously. This has had the outcome in London, of no independent SME's remaining in business. Operators currently providing service across county borders, would continue to do so under Enhanced Partnerships, ensuring consistency of service."

L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

A6: "We support the vision for economic growth for the region and have in the last year implemented increased services around Ely to improve commuter travel and continue to put suggestions to the CPCA to increase connectivity with other passenger transport such as rail. During the last Mayoral Precept route increases, Dews Operations department was instrumental to service planning and this could continue, in the case of Enhanced Partnership.

Franchising potentially opposes the commercial growth of the county's passenger transport operators, current and future. The Franchising model as set out in the consultation document (paragraph 7.162) states the aim to 'ensure that opportunities remain for existing operators in the area, as well as encouraging operators from outside' with outside operators coming in, using the planned CPCA provided depots and not investing in local staff, local facility providers; this seems counterproductive to economic growth.

The Franchising business model is proposing a 500% increase in precepts, it is unknown whether constituents would agree. Designing and managing a reactive network as a Franchise, is also an unknown cost in rural/urban area.

During the recent precept changes to services, consultants missed a peak commuter journey on the 305 service - consultants without local operator knowledge, have set the investment cost at £41 million capital investment, plus £1.4 million per annum for running costs, and additional bus service support starting at £8.5 million in the first year. Is there any account for potential inaccuracy?

When the £2 cap ends, there could be a drop of patronage, resulting in lower revenues than the expected 3% as laid out in the economic case.

There seems to be an absence of consideration for the rural routes, which are seeking desperate improvement. Operators can help in identifying where developments can be made.

There is no proposal to how the CPCA is to improve the road network to support a change in performance. Bus priority or alternative schemes should be at the foundation of any reform."

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: "The Economic case does not bring into account what value the operators could add in the event of Enhanced Partnership. The example used does not cover the breadth of what collaboration with local operators here could achieve, we have not been asked yet what we could bring to the table.

Through Enhanced Partnership, more could be achieved, at a lower cost, in much faster time than the current proposal. The 'saving' could potentially be used in bus priority and road network improvements, which have been overlooked as a strong influence on success of either model."

L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: There is no objective to review passenger growth and customer satisfaction with the improvements. The six commercial objectives otherwise seem reasonable markers for comparison.

L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

A9: If all routes must be within CPCA control under franchising, then there should be a fairness across the region. The AW1 is a route we have developed from concept in partnership with Urban and Civic to connect their Alconbury Weald development to the wider network. We have invested and endeavoured to build patronage,

responding to feedback, implementing clear and simple ticketing and marketing to build numbers. From 80 passengers on our first week to 1100 using the service a week currently, it is an example of what collaboration can achieve, The AW1 is currently listed to be absorbed into the Franchising model.

The Whippet Universal bus is not being included in the franchise which makes the service inclusions inconsistent or not thoroughly clarified.

The implications upon cross boundary services should also be reviewed."

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: "It is important that the procurement process, that operators are given adequate time to formulate their bids for a tender, in practice this means a minimum of three months to develop a well informed bid.

With smaller resources, the impact of the procurement and shift from deregulation would be significant to SME's. Scheduling the transition will lead to taking vehicles and drivers off the road for training, branding etc and with medium investment, they are shouldering a substantial financial burden of mobilisation costs.

Will the procurement exercise phases Greater Cambridge Travel to Work area/remaining area of north Cambridgeshire and Peterborough be processed with results in two timely phases?

Operators will need to know what packages they have obtained in the first phase before submitting for additional packages in the second. The outcome of not knowing, will be that to ensure enough work for the survival of their operation, Operators will be forced to 'over bid' and dependent on success, may have to decline packages won – lengthening the allotting process.

Current lead times on vehicles are long. How would SME's prepare for the unknown, with contract lasting 7/8 years a buffer at the start of contract in regards to vehicle requirements would be realistic.

Regarding depots – is that time frame achievable – what about consultation for what the depots would contain. What would a shared depot look like in practise?"

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: "The Consultation Document does not state if the contracts have inflation built into them or if they will have annual or alternate methods for review. Fuel can become unstable, such as the unprecedented rises in 2022 – a fuel cushion should be considered for fuel rising beyond normal parameters.

Vehicles would depreciate over that contract length, would operators leasing vehicles be accounted for at a higher cost?"

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: "With any model of franchising there will be an impact on SME's, it will remove any entrepreneurship within solutions to the network. TUPE will also need to be considered as a potential issue with staff retention.

The lots divided as suggested, will give some fairness to competition but with out of area companies encouraged to compete, this may pose problems to smaller operators, because they can use CPCA depots and not have the same level of overheads to factor into their bids. Similarly, larger operators can potentially bid with a view to sub contract to the losing local operators, knowing that they have to accept contract prices offered in order to retain services."

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: "The effect of Franchising in other areas has been the elimination of SME's. They have not fared in London, with only one Operator left on the outskirts.

With TUPE and potential loss of contracts, retention and recruitment will have an impact over other areas of SME businesses if staffing becomes an issue.

Working in collaboration with larger Operators has proved successful, this is however within a commercial arrangement, without the restraints of Franchising. An appeal process should be considered in the case that the 'restrictions on the number of smaller contracts awarded to a single operator and the number of smaller contracts awarded to large operators' leads to the restrictions of continued collaboration via sub contracting to continue where best."

L14: Do you have any comments on the approach to bus depots under Franchising?

A14: "Further clarification on depots are needed. It is important to consult with Operators regarding the location, facilities and timescales of them being in place and how it would work in practice.

- Drivers are attracted to work from our depot, due to the safe rural location and emphasis on wellbeing. At a Franchise depot - who is in charge of health and safety, looking after the welfare and safeguarding of our drivers?
- The location of these depots will affect contract bids, as dead mileage costs. Will Franchise Schedulers be factoring in the time/miles on depot use?
- If fuelling/charging facilities will be on site, how will they be charged?
- What costs and depreciation will Operators be bearing and will they be calculated on the percentage of depot usage?"

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: Operators should retain responsibility for fleet, ticketing and onboard equipment. If Operators are making the investment and are responsible for maintenance and depreciation; the specifications before and any changes during contract, should be set with ample time. This will allow Operators to research, navigate procurement leads and deliver training to ensure future proofing of investment. This is even more vital for SME's.

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: "We have prioritised investing money, time and expertise into staff retention, in return we have a high level of long term team members. We attract staff on the uniqueness of our company brand and values. It is inevitable that we lose appeal as an employer, if staff will likely be absorbed into the larger franchise model. We have launched a successful trainee scheme, in response to the national driver shortage, where newly qualified drivers are bonded for two years - if these staff are TUPE, will there be compensation?

CPCA should be clear on how they expect to achieve this and the impact on the drivers should be the priority."

L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: It has not been clarified how the service users will be issuing feedback, or whether success will be based purely on fare revenue. Operators should also be included in any performance review of the Franchise. Without passenger's review the consultation will lack comprehensiveness. This will be especially relevant in regard to the social inclusion and changes on rural routes, where reviewing fare revenue, will not fairly demonstrate improvements, unless on a respective scale.

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

Appendix – Statutory Stakeholder Consultation Responses

A18: "The CPCA does not currently have the internal expertise and resources to not consider Enhanced Partnership as a solid alternative. The potential decrease in fare revenue, once the fare cap comes to an end, needs to be recognised as a possibility, which could change financial estimations.

Table 7-15) of the Consultation Document for comment:

Summary of responsibilities		Dews' comments
CPCA	Operators	
Network planning & procurement.	Tendering to operate services, providing ideas and service enhancements in response to the specification.	Bus operators have a lot of success on this, CPCA have used our expertise recently with the Mayoral Precept. We have expanded the network in response to demand and had great success with our AW1 service. Collaboration would be more inclusive of whole county issues.
Specify service requirements, timetables and quality standards.	Providing vehicles and equipment that satisfy the service specifications.	There is no strategy for how rural areas get more services under the business case. Or variants of equipment specification in response to rural/urban.
Define service numbers and consistent route branding.	Designing services in-line with CA parameters set out in the specifications.	Clarification needed on what 'designing services' encompasses.
Set fares, define ticketing products. On cost-based contracts, responsible for fares revenue and revenue protection. No responsibility for revenue on subsidy-based contracts.	On subsidy-based contracts, responsible for collecting fares and keeping revenue. On cost-based contracts, responsible for collecting fares and transferring that revenue to the CA.	Minimum cost and subsidy is the model we are already using now.
Provide and maintain bus stations, bus stops and passenger waiting infrastructure.	Use infrastructure as directed.	Have CPCA got the resources to do this and who will set standards for staff training, reporting issues and Operator responsibility for remedying issues?
Oversee network-wide identity, branding and promotion.	Deploying vehicles including any requirements in terms of livery, identity and branding.	The engineering implications of branding and launching services and SME's must be considered.

		The quality standard of branding, uniform must be clarified. Will suppliers have to be on CPCA framework?
Manage, provide and maintain comprehensive information (web, paper, at-stop, real time) Market and promote use of the network with operators.	Market the network and promote its use through approved initiatives agreed with the CA.	Will the responsibility of this be in proportion to the contractual percentage of each Operator? Have the CPCA got the resources to do this? Enhanced Partnership could be stronger on this, as Operators have already had vast knowledge and success in this area and the right local people in position to be utilised. The Tiger pass in collaboration with CPCA was just rolled out in record time for example.
Monitor service performance.	Monitor and report on service performance.	To what level would this be expected, as it could increase internal costs that should be factored in at contract bid stage. Could the monitoring budget, if Operators devised an economical method in collaboration be better spent on the network improvements.
Review and develop services in partnership.	Review and develop services in partnership.	Would this not be a case for Enhanced Partnership being a natural method to reforming the network?

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A19: Franchising may seem deliverable of the commercial objectives. However, the view in the business case, does seem simplistic for the diversity of the county and the undertaking Franchising would require. It is also simplistic of the current situation. There is currently little ‘on street competition’ and more collaboration than noted, with SME’s majority of bus service coming from CPCA funded routes already. Creating an Enhanced Partnership would likely prove better value and a much shorter timeframe. Should Franchising not prove to not be the correct decision for the CPCA, reversal will not be possible. Enhanced Partnership allows for resilience and flexibility into the future.

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: "The Enhanced Partnership model in the Consultation, supports all 6 objectives that Franchising aims to deliver.

The assessment and in particular Table 7-21: Arrangements under an EP, shows an impassive view of the success Enhanced Partnership could achieve. All neighbouring Authorities have chosen EP after consideration and are seeing results.

We already have the Bus Alliance and collaborative partnerships to build upon in Cambridge and Peterborough. It will deliver the best outcome for the CPCA, expanding their control of the network and utilising everything that collaboration has to offer with less cost, less risk and in much less time than Franchising."

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole

network and there would be more reliance on negotiation with bus operators. Do you have any comments on this?

A21: "The CPCA would not control the whole network in the case of an Enhance Partnership. However if Enhanced Partnership was decided upon and followed the model set out in the Consultation - whole control wouldn't be necessary, it would come inherently. The shared rules and goals – set by the CPCA and framework for operating, would make CPCA the overseer and authority on all significant decisions.

The Network Obligation Agreement if put into practise as laid out in Table 7-18: Network obligations and the model of Table 7-19: Combined authority/operator split for an EP was followed - there would be no reliance on negotiation, momentum and division of responsibility is clear.

Operators have already shown willing to collaborate and make changes to create the best network available. The money saved in creating an EP could be put into bus priority and improving rural services."

L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: It is our opinion that an Enhanced Partnership will deliver everything the CPCA wishes to deliver but much faster, at a loss less cost and risk.

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: Costs and contributing factors to finding the initial investment should potentially be reassessed. The probability of Franchising costing more than anticipated is high, as the CPCA have no other comparable authorities experience to draw upon. Revenue is also uncertain. The costs Operators would also have to factor into contract bids is undetermined, so accuracy of the project cost is unlikely.

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: "There is no contingency for if the 500% increase in Mayoral Precept is not accepted by all councillors. BISOG is currently under review with other bus funding initiatives and government grants. The risk that this income could change has not been included.

Revenue is also only assumed. Without changes being supported and therefore used by the passengers, numbers could decline – especially after the £2 cap ends."

L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: Enhanced Partnership could be more reactive to what is successful and what needs review, as the Network develops, or to implement fare adjustment. The revenue estimate could be inaccurate, or costs higher than expected. Franchising will offer less flexibility to change. Is there a proposal of where to find the additional money, should the projection be incorrect?

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: "There is risk of Franchising not being deliverable in the time frame. Decision making takes time, even with the proposed additional team of 15. The timescale of Franchising leaves the project vulnerable to the team, suppliers and operator change.

The huge ambition of CPCA and with such an extended launch – staff will inevitably turnover, to unknown effect on the delivery of the project. Reliance on consultants will be inevitable, they will not have the local knowledge or expertise level of local Operators.

All examples of the proof of CPCA's ability to deliver improvements: Guided bus, park and ride, Cambridgeshire Connect, DRT – are all collaborative schemes, in partnership with local Operators. The footing for successful improvements to the network as an Enhanced Partnership are already established."

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: We would seek clarity on who the responsibility of customer service and other associated costs fall upon within contracts. SME's may need to recruit additional internal staff to manage the workload. Operators should receive consultation and importantly final decisions on these details, in good time before preparing bids.

L28: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A28: We are supportive of ensuring all passengers have the equal opportunity to travel. The assessment seems comprehensive and robust.

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

A29: Tend to oppose. We believe that there would be more benefits committing to Enhanced Partnership or an Enhanced Partnership Plus Model than to Franchising. We conclude that Enhanced Partnership would ensure shorter time frame to launch, be more cost effective, support Operator diversity and maintain the place of SME's in the market and be a safer more robust scheme. Regardless of the outcome, we will evolve with CPCA to deliver the best possible service within our community and provide the best possible working environment for our staff.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: We would encourage the CPCA to utilise the resource of the CPT's Practical Guide to Franchising, which was developed with CPT members to outline what is needed to deliver a successful franchise that delivers value for money and a reliable, sustainable bus network for its passengers.

L31: Do you have any further comments?

A31: "Bus services are in need of change. There are many reasons patronage has declined in recent years. Covid has changed the way people conduct their lives permanently. Online shopping, increase in car ownership and car sharing schemes, working from home, have all played a part. A network constantly afflicted by congestion and poor highway planning can make bus services unreliable and unattractive. These challenges, whether the decision is made to go down the Franchise or Enhanced Partnership route – will remain.

Collaboration has the best probability of effective reformation and creating a network that can be successful. Adaptability is key and the communication stream between service users, providers and the CPCA will be the future proofing."

19. Stagecoach

Please find answers to the long questionnaire below.

What is the name of your business or organisation?

Stagecoach

What is your position/title?

Darren Roe, Managing Director, Stagecoach East

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: In the bustling conurbations, we are fortunate to have a robust bus network operated commercially, which incurs minimal costs for the CA, with only about 15% of the services needing subsidies from CPCA. In rural areas, although the commercial viability of bus services is more challenging, the reliability remains impressively high across both urban and rural settings. This reliability is a testament to the commitment to service quality, despite facing ongoing challenges with punctuality due to factors like increasing congestion and frequent roadworks.

Efforts and investment to alleviate congestion, however, have been less vigorous. The impact of roadworks, whether they are long-term, short-term, or emergency, remains a significant hurdle in maintaining timely bus services. For example, bus journey times from Regent Street, Downing College to Addenbrookes Bus Station have increased threefold. Yet, it's important to recognise these are pain points associated with enhancing the infrastructure.

The introduction of cycle priority measures, such as the Trumpington Street Active Travel Scheme, has inadvertently extended bus journey times. While these schemes are pivotal for promoting healthier, more sustainable travel, they underscore the need for more collaborative planning. To this end, ensuring that the needs of all road users are balanced will enhance the effectiveness of our transport network.

A shining example of proactive collaboration is the formation of the CP Bus Alliance. Comprising eight key operators (A2B, Delaine Buses, Dews Coaches, FACT, Stagecoach, Stephenson's, Vectare and Whippet), this alliance underscores a shared commitment to elevating bus services. Their initiatives, like the Tiger Pass which offers £1 fares for under 25s and the advancement of multi-operator ticketing schemes, are making public transport more accessible and user-friendly.

The Alliance not only champions the collective interests of operators but also works closely with CPCA and The Mayor to champion infrastructure improvements and bus priority initiatives, such as traffic signal priority, bus lanes, and bus gates. According to a KPMG report for Greener Journeys 2017, such measures can yield nearly six times their investment in benefits, including health and carbon reductions.

While options like franchising or an Enhanced Partnership are on the table to further enhance the bus network, the CP Bus Alliance is already leading the way. Through their diligent efforts, we anticipate seeing a boost in bus patronage in the near future. This proactive approach promises not only to improve current bus service performance but also to pave the way for a more integrated and efficient public transport system.

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: Stagecoach is committed to delivering a high-quality bus service and recognises the importance of collaboration with the Combined Authority (CPCA) to meet the current challenges in the public transportation sector. We believe that through a strengthened partnership, potentially by expanding the current CP Bus Alliance work, establishing an Enhanced Partnership, or considering Franchising, we can achieve significant improvements.

We acknowledge that achieving ambitious goals such as doubling patronage by 2030, transitioning to zero-emission buses by the same year, and maintaining services in less profitable areas will require substantial public investment. While it is always challenging to consider reducing or discontinuing low patronage bus services, we ensure that such decisions are made with thorough consideration and sensitivity towards those affected. We explore every possible alternative, including seeking additional subsidies, adjusting fares, or modifying service frequencies before making such difficult choices.

To reverse these decisions and enhance service offerings, a more substantial investment than currently projected will be necessary. This may involve operating at a loss initially. If additional funding is not immediately available, it is crucial to plan thoughtfully for future financing and to clearly communicate the justification for investing in these essential but less profitable services.

We are encouraged by CPCA's proposals to not only increase bus services but also to create more cost-effective fare options, which will likely require enhanced support from central government and the Mayor's precept. Although the consultation documents mention an increase in bus services, clarity on the inclusion of new rural services, highly desired by the public but currently not commercially feasible, is needed. Addressing this gap is essential for meeting community needs and ensuring equitable access to transportation.

Stagecoach is optimistic about the opportunities for growth and improvement through collaboration with CPCA and is eager to engage in initiatives that enhance service delivery while maintaining financial sustainability and meeting the public's transportation needs.

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: Ultimately Stagecoach will support and work with CPCA to ensure the best outcome of whichever option they choose.

We appreciate that to access additional central funding, an Enhanced Partnership (EP) model or Franchise are currently required; however, we believe there are various other options that can be explored.

A Franchise scheme will transfer all of the accountability for bus provision to CPCA, alongside the majority of risk and responsibility. This will in turn give the fullest amount of control to CPCA but at the highest price to the public and is worth noting that the auditor's report believes the service levels quoted under Franchising are aspirational and optimistic.

The timescales for implementation of a Franchise are lengthy, with the first Franchised service not due to operate until 2027. This process could be accelerated and significantly simplified if CPCA were able to consider awarding interim contracts to the current bus operators, for a transitional period. This could be achieved at agreed rates that provide acceptable levels of return for operators and the CA, allowing consistency and early adoption and implementation experience in relation to key CPCA objectives in the short term whilst long term contracts are awarded over a longer period.

By providing security for existing bus operators, the market would not be subject to the same levels of volatility in the short/medium term through staff transfers, changes in technology systems or procedural improvements. This approach would allow for improvements to be implemented within a matter of months, including performance regimes, ticketing, fares and vehicle standards.

This alternative approach will lead to immediate and sustained improvements for the travelling public as well as giving full control to CPCA without the upfront cost of a compacted and pressurised procurement competition and with significantly less risk. Mileage rates and exit requirements can be built into those initial contracts, ensuring that service levels can be scaled up as required, whilst ensuring a continuation of the highest standards up to the point of any future change in service provider.

Moving to an EP can also provide overwhelmingly similar benefits to Franchising but at a much lower cost, higher NPV and shorter time scale, whilst limiting the risk to CPCA. An example of a successful Enhanced Partnership in Lincolnshire has seen;

- 150,000 more passengers overall;

- 118% increase in user numbers in some areas;
- 47% increase in passenger numbers in Sleaford town; and
- 72% increase in passenger numbers in Gainsborough.

We note that CPCA has placed weight on uncertainty over operators coming to agreement in this regard, but we believe that the work of the CP Bus Alliance shows that local bus operators are willing to work collaboratively alongside CPCA to provide large scale improvements to bus provision in the area that puts passengers at the top of the priority list.

This collaborative relationship can be used to guarantee that very ambitious targets and requirements are contained within the EP, ensuring similar success factors to those that might be achieved under a Franchise.

L4: Do you have any comments on the Combined Authority’s overall objectives, as set out in the Strategic Case?

A4: We agree with all of the objectives as set out in the Strategic Case.

We fully support the ambitious plans to increase bus usage (doubling by 2030) however delivering that patronage growth requires significant modal shift that will place heavy reliance upon bus priority measures to make bus travel more attractive than car. It is worth noting the values in figure 7-5 of the main consultation document shows patronage never gets close to this aspiration, Franchising delivering only 23% increase and the ‘do nothing’ approach achieving 14% increase by 2040 with all three options showing a decline in patronage post 2040.

Reliability and punctuality are the main concerns of customers therefore ensuring that journey times can be regularly achieved and eventually reduced should be given the highest priority under a Franchised or EP environment.

Regarding the key challenges outlined in the Strategic Case, our comments are as follows:

- **Network improvements:** Franchising has the ability to deliver a wider network across the entire region, but this will be an iterative process over time as increasing the bus fleet and services will require significant funding. Improvements to bus routes and frequencies will be required to achieve modal shift and increase in bus patronage. It is worth noting that these objectives can be achieved now but CPCA have not entered into discussions with bus operators as to what can be delivered outside of Franchising or an EP and what investment might be required. If these discussions take place, it may show this objective can be met for a fraction of the cost of Franchising, through either an EP and/or continuing the work of the CP Bus Alliance.
- **Fares and ticketing:** Improved ticketing capability (e.g. tap on/tap off that can accurately charge graduated fares and cap day/weekly tickets) can be achieved with an EP or Franchising model. It is felt that Franchising is the only model that can currently enforce the delivery of fully integrated, multimodal ticketing across the region. However, commencing in November 2024, multi bus operator ticketing is being introduced across all bus operators within the CPCA region through the good work of the CP Bus Alliance.
- **Bus Fleets:** Both schemes require bus operators to provide the fleet, listing the continuation of existing vehicles as positive in preventing barriers to entry with the transformation to zero-emission taken over time. The introduction of zero emission vehicles requires time, investment in depots and training and zero emission vehicles are still significantly more expensive than diesel vehicles. The CPCA target of a zero emission fleet by 2030 is very ambitious given the timescales for implementation of either scheme. It is worth noting that Stagecoach;
 - has 40 years of fleet procurement experience;

- enjoys close relationships with multiple suppliers and manufacturers;
- has procured nearly 4,000 new buses over the past decade;
- has a track record of delivering excellent value for money on new fleet introductions; and
- operates one of the largest zero emission fleets in the UK with 583 zero emission buses in service and a further 740 due for delivery throughout 2024-2026.

If Franchising was approved by CPCA, bus operators would likely give consideration to their approach to further investment in the fleet until the outcome of the competitions is known. Some may be reluctant to investment that may be short lived in this region. Stagecoach has the benefit of cascading vehicles around the UK should this be required.

- Customer experience: Improvements in the customer experience are largely driven by the first three measures within the Strategic Case. However, if priority measures such as additional bus lanes, traffic signal priority, parking charges/enforcement and road infrastructure are not carried out simultaneously then journey times will continue to increase and passengers will see no discernible improvements to force modal shift. Area wide requirements within an EP or Franchise for improvements to standardise information provision, centralised marketing and real time access are beneficial for customers.
- Funding: To access additional Government funding which can help drive step change we accept that CPCA must enact either an EP or Franchise. The consultation document repeatedly mentions that the model explored for Franchising is mid-level investment which is understandable, with operators responsible for vehicle and some depot provision. We believe though that investment in bus priority measures is of the utmost importance as this will be the single largest factor in driving patronage growth and the start of financial stability.

Stagecoach has a wealth of experience over many years of delivering innovative improvements to bus services which have grown patronage and shown modal shift.

- Hazel Grove Park & Ride – the first fully commercial Park & Ride facility in the UK linking the existing excellent bus network with large parking capacity enabling links to rail stations, hospitals and shopping areas.
- Cambridge Park & Ride – commercial bus partner for the Cambridge Park & Ride and the Guided Busways, growing patronage above pre-Covid levels and during 2023 introduced 30 brand new Volvo/MCV EV buses to serve an increased frequency at a cost of £17m.
- Service 904 was a heavily loss-making service in October 2022. Rather than withdraw the service, we entered into a ground breaking partnership with Dews Coaches of Sommersham to deliver the service as part of an operator partnership. This partnership has reduced the cost of the service dramatically and also generated passenger growth of 13% pre 1st September 2024 and now 51% with CPCA funding for a third vehicle.
- Inter-urban growth – investment in fleet and technology for the Oxford Tube (now a high frequency 24/7 coach service) to provide high-quality low-cost commuter and leisure market.
- MK1, is a service we operate linking Milton Keynes, Luton, Luton Airport and Bedford. Pre-October 2022 these links were provided by two heavily loss-making services. Listening carefully to customer’s needs and collaborating closely with key stakeholders, we designed one service, the MK1. Not only is this now profitable, but it has also seen passenger growth of over 25%.
- Our service revisions of October 2022, whilst making some reductions, involved reinvesting bus resource savings into increased frequencies on twelve services where higher bus patronage was

evident. This was very successful, as evidenced by average passenger growth on these routes of 16.2% prior to the start of £2 fare and currently 42.5%, on the most recent data.

Stagecoach can bring this experience as an operator and help drive long term, sustainable patronage growth.

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: We would first note that all of the adjoining local authorities mentioned; Suffolk; Essex; Central Beds; Bedford Borough, Lincolnshire and West Northants have all pursued Enhanced Partnerships and passengers in those areas have seen the noticeable improvements and benefits from this already. These benefits are numerous but most notably include network stability from common agreed change dates; service enhancements and multi operator ticketing. It is vital that those improvements are protected and not put at risk by either an EP or Franchising by CPCA. Core to this will be how cross boundary services are treated. Under an EP in the CPCA region there would be no change in this regard but this would require very careful consideration under Franchising.

We would like clarification on how routes, both current and future, will be allocated as in/out of the scope of Franchising/EP schemes. 7.159 states that routes with 10% or more of their mileage in the CPCA area will be included in the scheme. Services with just 10% of their operated mileage in the CPCA Franchising region would be a significantly lower threshold than other Franchising areas, which generally only include services that have the majority of miles in their region.

7.159 further says that services that “largely serve markets outside” of the CPCA area will not form part of the scheme. That would potentially be conflicting with the assumption that some cross boundary routes will have 90% of their journey outside of the region yet be part of the scheme. In addition, the ambiguous nature of the phrase “largely” requires definition to avoid uncertainty.

Once the cross-boundary proposals are clarified and confirmed we will be in a much better position to ascertain the impact the schemes would have on neighbouring authorities.

Regardless of the above, it will be essential that there is close, open dialogue between CPCA, other authorities and bus operators. This will ensure that actions taken in good faith by the CPCA area are not anti-competitive and do not result in service cuts in neighbouring districts. Collaborative working can avoid this and will ensure that there is a consistency of standards and messaging.

L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

A6: Regarding the economic case, it would appear from the detail in 7.138 that the forecast for bus patronage growth described in 7.136 and figures 7-5 is largely attributed to population growth rather than any other factors, and declines in later years, effectively informing that the ‘do something’ approach is not sustainable for what should be a major determining measure of success. However, the statement in 7.138 appears to contradict the detail in table 5-16 of the Full Assessment which shows population growth is not as steep as stated. If 7.138 is to be taken as accurate, the increased revenue from fares would appear to be a natural product of demand as a result of population growth, however the fare structure under ‘do something’ is not clearly defined.

It is true that a reduction in journey times would likely attract more bus users, as we concur it is a major deciding factor when car users are surveyed as to why they do not use the bus. However, major highway schemes in the CPCA region over recent years have created congestion at an unacceptable level that must improve when these schemes end. However, if the result of these schemes adds congestion to all vehicle traffic, then bus will be no more attractive than car.

In recent times, the CPCA has not prioritised investment in bus priority. If considered seriously under the 'do nothing' model outside of Franchising, bus operators could be able to decrease travel times, allocate resources to new or enhanced bus services, and draw in more patrons. This could be implemented relatively swiftly within the context of an EP.

It would be sensible to assume that direct and indirect revenue from changes to tax for items such as fuel duty and VAT would occur in the ‘do nothing’ state as well as the ‘do something’ state.

Wider economic, environmental and societal impacts are all positive but require more detail to be able to determine the impact of ‘do something’ over ‘do nothing’ in order to make valuable comments.

From the figures provided:

- Funding – this includes an assumption of an unprecedented 500% increase in the mayor’s precept. This is a mayoral right to implement but there is a risk of political pressure to discontinue this, which would undermine the economic case.
- Fare box revenue – Figure 7-5 shows an increase in patronage in the early years but is attributed to population growth rather than Franchising or an EP. During early consultation events, there was an assumption of a flat 3% decrease in patronage per year, even without considering risk factors which could cause a more significant decrease in demand including, but not exclusively, the impact of the end of £2 fare cap and trends in patronage for bus services which are already seeing more than 3% drop per year.

It is without doubt that Franchising provides CPCA with greater control over the network but without the extensive experience in operating bus services that current operators have. Our experience shows that operating bus services is somewhat more expensive than considered by transport authorities and bid prices are more often higher than existing costs. In addition, the management and control of bus services requires significantly more time and input than some transport authorities initially factored when considering the case for Franchising, and as Bus Reform Franchising has only been tested in one region in the UK, there is little to support the case other than firsthand experience, which is proving it is more difficult, complex and expensive than first thought.

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: The Enhanced Partnership outlined in the business case appears to be a generic version. In the construction of the business case bus operators have not been given the opportunity to put forward what extra they could offer as part of an Enhanced Partnership Plus or Franchising Light. Without this, the economic assessment of Enhanced Partnership in the business case does not consider everything which bus operators could offer. Some examples of initiatives that bus operators have recently delivered, and could continue under alternatives to EP or Franchising are:

- £1 fares for the under 25s in record time
- Working together in operator partnerships to ensure the long-term survival of marginal routes
- Increased frequencies on key routes with high demand that has generated on average 42.5% passenger growth
- New bus services to meet passenger’s need
- Multi operator ticketing and multi modal ticketing (Plusbus)

More can be achieved on network stability; a solution for rural transport; new services where people want them, through an Enhanced Partnership plus quicker and at less cost, through either of these mechanisms.

Lincolnshire are currently using BSIP money to fund twelve projects across the county as part of their EP. Seven small towns have seen improvements to their services, four interurban routes have been enhanced and the county town of Lincoln has seen new late evening journeys. The twelve projects involve working with seven different operators. Results have been impressive with growth of up to 85% on the town service and 50% on the interurban routes. In Lincoln over three thousand people have used the new evening services, an average of around nine passengers per journey. In Leicester, another successful EP has seen a 14.1% increase in

passenger numbers 22/23 to 23/24 taking it to 97.1% pre pandemic levels. The strength of the partnership working which underpins this success has seen record levels of investment by the bus operators.

As we have said, the biggest challenge to buses in Cambridgeshire is effective use of road space. Stagecoach is consistently delivering over 99% of scheduled mileage and an Enhanced Partnership Plus mechanism could formalise this. In the case of punctuality, whilst we can offer good running times, maintaining punctuality is dependent on how CPCA controls the road space.

In considering how to exercise this control CPCA will want to ensure a fair share of road space between different users, cycle; pedestrian; bus and other. Whilst Active Travel schemes are to be welcomed, adverse impact on bus service punctuality should be minimised wherever possible. We have referenced the Trumpington Street scheme as an example where there was significant average impact on punctuality of 11 mins per bus trip. Other potential interventions include effectively using powers under the New Works and Street Works Act to ensure road works are delivered in a way to minimise their impact on buses. Last year 57,287 service miles were lost by Stagecoach East due to congestion. The business case for Franchising does not address this. Under an Enhanced Partnership Plus model, CPCA could use its investment money to address congestion through investment in bus priority with traffic signal priority; information provision; being an investment partner in a Bus Network Board with bus operators and ensuring bus/rail/school transport integration.

The CPCA region has a high rural/urban ratio. In big metropolitan areas like Manchester; South Yorkshire and Liverpool the mix is more urban/rural, resulting in a different financial case for Franchising, as they have a lot more residents who have the potential to use the bus. This is possibly evidenced by the decision of Claire Ward, Mayor of East Midlands – a similar rural/urban ratio mix area as Cambridgeshire, to try and pursue improvements through an Enhanced Partnership Plus approach and only considering a move to Franchising if this fails.

It is very difficult to provide a comprehensive response without a fuller understanding of the assumptions behind the calculations. However, from the information available we have the following comments:

- Both Franchising and an Enhanced Partnership are significantly more expensive than the current commercial operation is to the public purse, even with the increased contributions of recent years
- There appears to be a £3m deficit per annum from the analysis that forms the base year position for cost and revenue.
- The costs stated in the business case are NPVs discounted back to 2010, so the true cost to the tax payer, in nominal terms, would be significantly higher than the £121.75m quoted in table 7-10.
- Both the initial and ongoing costs of Franchising are substantially more than an EP, with the benefits being reported as higher in the Assessment. We would welcome more detail on how those benefits have been quantified, as they seem arbitrarily higher for the Franchising proposals versus an EP. We believe that an Enhanced Partnership could deliver the overwhelming majority of the benefits that Franchising can deliver in a much shorter period of time and for less cost to the public purse. In addition, it is worth noting the independent auditor's view that the Assessment does not fully reflect the downside risks that could impact the funding requirements and the funding required could be significantly higher than the central case presented.
- The impact of better air quality and reduced greenhouse gas through newer and zero emission vehicles is correctly prioritised and highly regarded. However, the assessment provides no timescales for introduction of zero-emission vehicles beyond quoting the Cambridgeshire and Peterborough Independent Commission on Climate Change (2021) recommendations for buses to be zero-emission by 2030 which would appear to be a very ambitious target. Given the lack of assumptions around vehicle introductions it is difficult to understand why Franchising has been assessed to provide a better 'score' than an EP, as a gradual introduction of zero-emission vehicles would be the bedrock of any agreement.

- Some of the cost calculations for both the implementation and on-going operation of Franchising would appear to be overly optimistic. For example:
 - The experience from Manchester is that far more roles have been required in both the procurement and operation management of the Franchise than anticipated at the assessment stage.
 - The capital discussed for building new EV ready bus depots would similarly appear to be optimistic, taking the costs of a new depot build in Warrington stated in section 5 of the Full Assessment. CPCA using this depot as a baseline seems reasonable but that build took years in the planning; labour, products and building costs have significantly increased since then.
- The Assessment puts high weight on the consideration that Franchising will deliver benefits to rural communities. As Franchising has yet to be introduced in any non-metropolis area, we are unsure on how this conclusion can be derived, especially as the proposals are only for a Monday to Saturday daytime service.
- Allowing joint bids across routes/lots will provide better value for money for CPCA as operators are able to reduce costs by realising synergies in the management and supervision across the lots.
- The Consultation Document and Full Assessment rather ambiguously discuss the sharing of financial risk with bus operators. Without full details of how that would be implemented we cannot assess how practical it would be but, on the surface, bus operators would be reluctant to take on revenue risk on routes when they have no control over fares, frequencies or tickets. As such it is unlikely that any assumed financial benefits of passing that risk onto bus operators would materialise and should not be considered as part of the assessment if that is what is intended.

L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: The objectives proposed appear sensible and an appropriate way to compare the two schemes. The only objective that does not appear to have been covered is that of the passenger.

We would have expected to see an objective that covers sustainable passenger growth and quantitative passenger satisfaction.

L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

A9: We believe that for either scheme, be that Franchising or EP, to be successful then it is appropriate and necessary to cover of all regular bus services that are wholly within the CPCA area, excepting truly commercial activities such as tour buses etc.

This would also be logical extend to school services which are currently not covered within the consultation. Including these in the Franchising or RP schemes would allow greater flexibility and realise cost saving synergies that will provide greater value for money to CPCA and associated authorities. By the nature of the school services, they are expensive to operate on a cost per mile basis, as the vehicle and depot costs are only realised across two or three journeys per day. Incorporating school services into existing depots allows for interworking with regular bus services and spreads their costs throughout the more efficient depot.

For routes that are not entirely within the CPCA area, consideration must be made on the impact of routes that cross boundaries into any of the eight neighbouring authorities.

In the case of a Franchise, there could be impacts on our key cross boundary services: -

- 13/X13 - which the document suggests would be fully franchised. In this scenario there is not detail of what this means for Suffolk residents, in terms of protections to their service level, both now and in the future; fare levels and information provision
- 905 which the document suggests would be fully franchised. In this scenario there is not detail of what this means for Bedford Borough residents, in terms of protections to their service level, both now and in the future; fare levels and information provision. In addition, 905 is a Bedford ended service which means that it would be more expensive to operate from a Cambridgeshire depot. We cannot see any detail in the business case that covers this concern.
- 7 from Essex in its journey from Saffron Walden to Cambridge
- 31/33 from Lincolnshire in their journey to Peterborough.

We would like clarification on how routes, both current and future, will be allocated as included or excluded of the scope of Franchising or EP schemes, for example why service U, for the University of Cambridge, is exempted.

7.159 states that routes with 10% or more of their mileage in the CPCA area will be included in the scheme. Services with just 10% of their operated mileage in the CPCA Franchising region is significantly lower than other Franchising areas, which generally only include services that have the majority of miles in their region.

7.159 further says that services that “largely serve markets outside” of the CPCA area will not form part of the scheme. That would potentially be conflicting with the assumption that some cross boundary routes will have 90% of their journey outside of the region. In addition, the ambiguous nature of the phrase “largely” requires definition to avoid uncertainty.

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: There is very little definitive detail contained in either 7.168 or Appendix 5, which has square brackets where the timelines are expected to be. However, Table 7-28 (Table 6-4 in the Full Assessment) does contain indicative dates when activities are expected to be completed.

Within 7.168 it states that ‘arrangements’ will be phased over a two year period, with two opportunities to bid for work. The first of these is listed as being the ‘Greater Cambridge Travel to Work area’ and the second being the remainder, north Cambridge and Peterborough. This split would be much clearer if the routes listed in Annex 1 of Appendix 5 were clearly categorised into the two above zones.

We would like to gain clarity on how the two stage procurement would take place, Table 7-28 indicates a 7 month process for procurement (May-Nov 25). Are the two competitions going to run concurrently or will stage two commence after stage one has been awarded? Concurrently would need to be understood in the context of the statement at 7.168 that there would be “two separate opportunitiesto tender”, and it should be noted that if they are to be run at separate times the timescales are very tight and allow little time for reflection or feedback. Experience from other competitions is that feedback from the initial rounds has been invaluable and would allow CPCA to learn, amend, refine and develop their own requirements. This has resulted in significant improvements in the quality of submissions and would be more in tune with the CA aims.

Splitting the procurement so that the second stage commences after award of the first stage would allow CPCA and bidders to spread their workloads, ensuring the quality of submissions and prices are optimised.

Timing of the procurement to work in conjunction with other Combined Authority areas who are also undertaking Franchise procurements will ensure CPCA receives interest from the maximum number of bidders, leading to better value for money.

Further clarification would be required for the commencement of services as Table 7-28 shows “First services commence prior to new academic year” September 2027 but does not indicate if that is just those procured during the first stage or in fact the entire area. It should also be noted that schools, colleges and universities all have differing term dates that will need to be considered when implementing any changes.

The timeline for mobilisation is listed as “at least 8 months” in 7.168 whereas Table 7-28 suggests 16 months (May 26 – Aug 27), is this two periods of 8 months for each stage?

From our experience the appropriate length for the mobilisation period depends on a number of variables, including vehicle requirements and associated lead times, depot and infrastructure requirements, TUPE timescales, mobilisation costs and resourcing and other issues arising during the process.

The appropriate mobilisation timeline is therefore dependent on the specifics of model chosen and is largely (but not only) driven by the vehicle and depot procurement approach. The indicated 16 month mobilisation period is longer than other competitions have adopted, and this has both benefits and negatives with respect to the above mentioned variables, which we describe in more detail below.

Main benefits of a longer mobilisation period:

- **Vehicle lead times:** There is a dependency on manufacturer capacity, which can be influenced by worldwide demand, causing supply chain issues and long lead times on sourcing parts. Manufacturer lead times from new vehicle order to delivery are currently around 12 months, regardless of who places the order. Therefore, the timing of the order is critical to delivering a successful Day 1 operation, and the vehicle procurement strategy is a key driver of the required mobilisation period. If the operator is procuring vehicles during mobilisation, then the mobilisation period will need to be a minimum of 12 months. Alternatively, if vehicles can be ordered prior to the commencement of the mobilisation period (i.e. during a pre-mobilisation period or by CPCA), a shorter mobilisation period would be possible. The level of new vehicle requirements at the start of the Franchise and phasing in of average age restrictions on vehicles will also affect the required mobilisation period.
- **Depot and infrastructure requirements:** Depot and infrastructure work and upgrades, particularly where planning permission is required, can take time. We know from experience that legal property permission issues, works permissions and wayleaves from either landlords or across third party land can add complications and delay in addition to the process of obtaining planning permission. Again, if works are required to the depots and the operator is responsible for this, a longer mobilisation period may be appropriate, as work cannot commence until the contract has been signed.
- **Mobilisation spacing:** Allowing short breaks between periods of mobilisation of the different stages will ensure that CPCA and bus operators have the opportunity to gather lessons learnt, to improve both the bidding process and mobilisation of future stages.

Main negatives of a longer mobilisation period:

- **TUPE and staff issues:** A longer mobilisation period could potentially create TUPE and staff issues. This would very much depend on the specific circumstances but matters which may need to be factored in include: A greater probability of headcount changes, multiple pay awards and any arrangements with Trade Unions negotiated by the outgoing incumbent, and a possible reduction in recruitment and training. This can mean that the incoming operator inherits a staff and cost base which does not match the costs in their bid. A longer mobilisation period leads to greater potential for discrepancies between the bid and the actual position at commencement. This variance in staff volume and cost risk can be mitigated by providing bidders with protection within the contract for differences between bid assumptions and actuals on Day 1. Whilst these factors can change across shorter mobilisation periods and still need to be addressed by some mechanism, a shorter mobilisation period limits CPCA’s exposure to these increases.
- **Risk to current market:** For bus operators who are unsuccessful in retaining their current businesses, a longer mobilisation period could make them reduce their investment or worse it could lead to them exiting the market entirely before a replacement operator is available.

Mobilisation resource costs: The cost of resourcing mobilisation increases with time. Mobilisations which are longer than necessary inevitably cost more, can be less efficient for the industry and delay the delivery of benefits to the customer. Therefore, CPCA should ensure that the right time period is selected that reflects the activities involved and delivers the mobilisations as efficiently and cost effectively as possible.

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: The consultation document suggests large contracts would have a 7/8 year term with a possible extension of 1 or 2 years based on good service performance. We feel longer contract periods will enable greater investment by operators, such as zero emission buses and infrastructure, and deliver the step change required to drive modal shift and increase patronage.

Variable contract lengths could be let depending on the assets being used, with shorter (5/6) years being awarded for diesel vehicles and utilising the CPCA depot premises, with longer (10+) being awarded for zero-emission vehicles using operator owned and maintained depot sites.

This added security would enable operators to commit to the capital outlay required to invest in newer fleet and assets.

A longer extension period will allow for the next phase of bidding and mobilisation to take place entirely within this period, which may be of benefit to all involved.

Whilst the zero-emission vehicle economic longevity is still evolving and expected to improve dramatically over the coming decade, EV vehicles presently still require a full battery replacement between years 7 or 10 depending on age, usage and care during lifetime. The lifespan of the vehicle is expected to be similar to that of a diesel bus of around 15/16 years and so the battery replacement is generally midlife.

For operators to commit to the necessary capital and infrastructure costs of providing zero emission vehicles, consideration must be made on how the “second life” is accounted for if contracts only cover the first half. Buses are typically depreciated over 15-16 years, a 7-8 year contract life may force an operator to either lease the vehicles at a higher cost over straight purchase or fully depreciate the cost of the bus over 7 years, unless other plans for vehicle ownership are being considered that are not in the business case.

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: The allocation of lots is a sensible way to divide the work in order to create competition with the regions of Cambridge, Peterborough and the Busway being obvious separators.

Allowing equal opportunities for bidders of various sizes is fair but should not penalise large bus operators simply because they are successful and have grown their operation in the region. Limiting the number of smaller contracts that can be awarded to a large bus operator will limit competition and likely drive up price through the inability to interwork services.

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: We would have concerns that the limitations placed on the number of lots larger bus operators can win in favour of smaller bus operators (7.167) is anti-competitive and will not provide best value to CPCA. Placing restrictions on bidders means that benefits of shared staff, vehicles, facilities may not be fully realised, leading to higher costs for CPCA.

Full consideration should be given to the most economically advantageous tenders for CPCA and the tax payer.

CPCA should give thoughtful consideration to the use of sub-contractors, allowing large operators to work with SMEs, thus not losing small and medium bus operators from the market. Our existing partnerships in this area already achieve this.

L14: Do you have any comments on the approach to bus depots under Franchising?

A14: On the surface we believe the approach to depots is sensible and pragmatic, although there are several details that require further information.

The exact split of routes that are being allocated into the new depots and their associated PVRs would be required before a full assessment can be made, along with depot size, capacity and any future zero emission options.

Additionally, there is no mention within the documents that show how the sites are to be costed, will the operator bear the depreciation costs? Will the operators be in charge providing fixed assets and fittings or the ongoing maintenance and running costs? Will operators of these provided premises be allowed to operate other routes from the sites, be they Franchised, excluded routes or other commercial activities?

Sharing the proposed new depot in Cambridge between multiple bus operators would need to be thought through very carefully. The exact mechanics of how the facility is shared requires very careful consideration and involvement of bus operators in advance. There is clearly serious risk that it could add significant, additional, unnecessary costs (doubled up offices, store rooms, cash facilities, networking) to both the build process and ongoing maintenance and running costs of the site, as well as consideration for overall health and safety responsibility. Whilst we would not discount operating from shared site, we would not actively encourage the approach.

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: Further precise detail on vehicles would be helpful but the outline list provided appears sensible, with the possible exception of the requirement for USB chargers which will require future proofing to avoid becoming obsolete and therefore redundant early on.

Operators providing their own hardware for the likes of ticket machines and real time information systems feels eminently sensible but there will have to be consideration given to ensuring the various outputs required by CPCA for management purposes are aligned to avoid significant challenges in data processing and back office systems.

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: The legal protection and wellbeing of existing workers should be as a high a priority for CPCA as it is for bus operator employers.

Very early discussions between bus operators, staff representatives and the CA are required to ensure that potential transferring of staff does not become a significant industrial relations problem before Franchising begins.

To achieve this, it is vital to have:

- agreement on what level of “principally connected” will be used to determine if TUPE applies;
- a defined list of which depot/round each route listed in Annex 1, Appendix 5 is connected with; and
- an indication of what level of staff would be included under TUPE, would business managers and directors also be included.

Once it has been established what staff are potentially eligible for TUPE, the following should be considered.

Accurate Employee Liability Information (ELI) data is essential to ensuring a smooth TUPE transition and successful commencement from Day 1. Making sure the right number of drivers to successfully deliver bus operations is critical if bus routes change operators. With long lead times on driver recruitment and training, any shortfall has the potential to significant operational issues and additional costs.

Winning bidders must be protected for wage increases between ELI data and actual pay rates on Day 1 as this change is entirely outside of their control. This will be particularly important for a longer mobilisation period, which increases the risk of incumbents negotiating pay awards that are not aligned with bid assumptions for Day 1 being particularly acute though this is also a risk with shorter periods.

Winning bidders should also be protected against the TUPE liabilities of transferring staff, for example pension liabilities and tribunal claims.

Winning bidders will need access to staff during mobilisation, for briefings, engagement and training. This is critical to delivering a seamless transition and successful Day 1 operation and should be compulsory for incumbents.

The current labour market and increased transparency has made it complex to have differing wage rates within depots, which has the potential to drive in life contract costs up.

Collective bargaining across different depots and operators would not be acceptable, unless underwritten by CPCA.

L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: If successful, we would welcome feedback on our own delivery and the opportunity to work collaboratively with CPCA on improvement. The proposals included seem sensible, but CPCA should take care to ensure any consultation of bus users includes a fair and proportional representation of all passengers, particularly under-represented groups such as commuters and young adults who struggle to find time to engage with market consultations.

We would be keen to understand how these consultations of bus users will influence future Franchise renewals and network developments.

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

A18: The documentation generally refers to the revenue risk being taken over by CPCA (7.127 for example) yet it also discusses that some contracts will be let on a subsidy only basis with the operators taking the revenue risk (Table 7-15).

The overarching theme of Franchising is generally that one central party (CPCA in this case) retains the revenue and is able to cross subsidise from the frequent, high fare generating routes to cover the costs of the less frequent and low patronage services. Naturally bus operators will not want to take on the responsibility of routes that are not historically well used and especially not if CPCA have responsibility for the decisions that influence that on-bus revenue; including marketing, bus priority measures, timetables, fares and ticket options. We also need to consider the effect of the bus fare cap on any revenue assumptions.

There are operational risks and complexities associated with this, such as; back office systems and revenue apportionment between bus operators as well as the bidding risks of unavailable or incomplete revenue data. If not satisfactorily addressed, these are likely to either result in fewer bids for those contracts or for the element of risk to be included in the bidding price leaving CPCA paying a premium or worse, bus operators underestimating values and being unable to deliver the contract.

We would also add the following clarifications:

CPCA Responsibilities	Comments
Network planning & procurement	Whilst the CA should lead on network planning this is a new responsibility which has been successfully taken by operators for the past 40 years and utilising that experience can reduce risk and costs.

	<p>Bus operators have innovative ideas that can be delivered now to improve rural services with support from CPCA. Franchising and EP consultation events have focussed on increased frequencies in suburban areas and no commitment to new services in rural areas has been made to date.</p> <p>Procurement is appropriately a CA responsibility.</p>
<p>Specify service requirements, timetables and quality standards</p>	<p>CPCA should work in conjunction with the substantial experience of bus operators towards ensuring that appropriate and realistic requirements and standards are put forward.</p> <p>There is a clear desire, as evidenced at the consultation events, for a viable solution for bus services in rural areas. The business case provides for an increase in mileage from Franchising for existing services. At consultation events the need for a viable solution for rural areas, with new services for them, has been repeatedly voiced by residents. The Franchising business case does not appear to address this. Bus operators can deliver this now through an Enhanced Partnership Plus that would allow those communities to reap these benefits now, rather than wait until 2027.</p> <p>Service timetables should be provided by bus operators within the basic parameters set by the CA (first/last bus and frequency headways). Timetabling of routes is the biggest driver of costs to bus operators, determining the number of vehicles and drivers required, and should be under the control of the operator. Similarly, if performance regimes are to incentivise reliability and punctuality, then operators should be responsible for designing an achievable timetable within the CA’s specification, which is customer friendly and with the CA’s approval</p>
<p>Define service numbers and consistent route branding</p>	<p>It is appropriate for one central body to take responsibility for both; however, care should be taken to avoid confusion and unnecessary changes on Day 1 of Franchised operations.</p> <p>Having unique numbering sequences across the whole CA area makes sense on a macro level. However, routes are very local and personal to their customers so care should be taken to avoid changes that currently coexist without conflict, as well as cross boundary service numbering.</p> <p>A consistent brand is appropriate and will help drive growth. It is worth working in conjunction with bus operators when developing this to make use of their depth and breadth of experience of what is attractive, practical, safe and cost effective.</p> <p>Individual route branding can be a significant factor of route awareness and patronage growth. Careful consideration should be taken to ensure that if utilised, this does not dilute the central brand, cause additional cost to the bus operator and CPCA or create operational constraints</p>
<p>Set fares, define ticketing products.</p>	<p>As the owner of the Franchise, CPCA would be expected to set fares and define ticketing choices.</p>

Appendix – Statutory Stakeholder Consultation Responses

<p>On cost-based contracts, responsible for fares revenue and revenue protection.</p> <p>No responsibility for revenue on subsidy-based contracts.</p>	<p>Care should be taken to avoid failures in other areas where Franchise tickets cost more than those previously offered by individual operators. Whilst many customers do take up network ticketing the vast majority of customers use one or two services and will not appreciate an increase in ticket prices to use a service they do not need, potentially in another town.</p> <p>Consideration should also be given to the impact that Franchising will have on Plusbus, the nationally recognised integrated rail and bus ticket. Cambridge is one of the top sellers of this ticket nationally. Bus Operators will be unlikely to accept risk and responsibility for on-bus revenue without proportionate control of fares or ticket ranges. Duplicated costs may also arise if revenue protection is required by individual operators as well as CPCA.</p> <p>On cost-based contracts it is appropriate for the CA to take full responsibility.</p>
<p>Provide and maintain bus stations, bus stops and passenger waiting infrastructure</p>	<p>This is appropriate.</p> <p>The current structure is not reflected within the documents with complex legal matters shared between parish councils and CPCA, and the current infrastructure in various states of repair. This needs careful consideration under any future structure but also needs addressing in the current state.</p>
<p>Oversee network-wide identity, branding and promotion</p>	<p>We agree this is appropriate, although as per above, care should be taken in conjunction with bus operators to ensure that branding is suitable and can be applied to vehicles in a practical, safe and cost effective manner, particularly in terms of replacement interior and exterior parts etc.</p>
<p>Manage, provide and maintain comprehensive information (web, paper, at-stop, real time) Market and promote use of the network with operators</p>	<p>We agree this is appropriate. There needs to be a clear plan and strategy for timetable and real time displays at bus stops, along with the financial impact.</p>
<p>Monitor service performance</p>	<p>We consider this appropriate, although care needs to be taken to avoid the management of service performance becoming overly onerous on both the CA and operators, putting additional costs into the Franchise rather than improving service performance.</p> <p>These costs could be better spent in improving bus priority and with it service performance, rather than costs to report on poor performance.</p>
<p>Review and develop services in partnership</p>	<p>We agree this is also appropriate with clear guidelines of how this is to function during the course of the Franchise.</p>

Very careful consideration should be given by CPCA to ensure fair scoring of any quality or pricing submissions as part of the tender process. Experience has demonstrated that deliverability and credibility of bus operators based on track record are clearly factors which should be given weight.

We would also welcome the inclusion of a robust change mechanism in the Franchise agreement to allow the network to flex with demand. In addition, the change mechanism should ensure that volatile and significant contract risks (e.g. fuel prices) are effectively managed, to mitigate the risk of delivery in a cost effective fashion.

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A19: The assessment has adopted an optimistic view of how well Franchising will achieve the objectives. Whilst we accept that Franchising can deliver the commercial objectives, we do not agree that it is necessarily the best value option available in the case of CPCA's area. Many of the costs and risks of Franchising have been underestimated throughout the assessment, with benefits seemingly arbitrarily higher and the risks table 7-17 being simply mitigated. Regardless, the significantly higher capital and revenue costs associated with Franchising means it is very difficult to confirm that it is best value.

We do not agree that Franchising will enhance competition between operators. We accept that the bidding phase will open the market up to new entrants to the region but once contracts are awarded the whole CPCA area will become a closed market.

Under the existing arrangement and an effective EP alternative, the bus market is free and open to any bus operator who wishes to register their services, albeit whilst accepting the new expectations that would come with an EP.

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: The Enhanced Partnership outlined in the business case appears to be a generic version. In the construction of the business case bus operators have not been given the opportunity to put forward what extra they could offer as part of an Enhanced Partnership Plus. Without this, the economic assessment of Enhanced Partnership in the business case does not consider everything which bus operators could offer. Some examples of initiatives that bus operators have recently delivered, and could continue under an EP, EP Plus or Franchising are:

- £1 fares for the under 25s in record time
- Working together in operator partnerships to ensure the long-term survival of marginal routes
- Increased frequencies on key routes with high demand that has generated on average 42.5% passenger growth
- New bus services to meet passenger's needs
- Multi operator ticketing and multi modal ticketing (Plusbus)

More can be achieved on network stability; a solution for rural transport; new services where people want them, through an Enhanced Partnership Plus quicker and at less cost, through either of these mechanisms.

Lincolnshire are currently using BSIP money to fund twelve projects across the county as part of their EP. Seven small towns have seen improvements to their services, four interurban routes have been enhanced and the county town of Lincoln has seen new late evening journeys. The twelve projects involve working with seven different operators. Results have been impressive with growth of up to 85% on the town service and 50% on the interurban routes. In Lincoln over three thousand people have used the new evening trips, an average of around nine passengers per journey. In Leicester, another successful EP has seen a 14.1% increase in passenger numbers 22/23 to 23/24 taking it to 97.1% pre pandemic levels. The strength of the partnership working which underpins this success has seen record levels of investment by the bus operators.

As we have said, the biggest challenge to buses in Cambridgeshire is effective use of road space. Stagecoach is consistently delivering over 99% of scheduled mileage and an Enhanced Partnership Plus mechanism could formalise this. In the case of punctuality, whilst we can offer good running times, maintaining punctuality is dependent on how CPCA controls the road space.

In considering how to exercise this control CPCA will want to ensure a fair share of road space between different users, cycle; pedestrian; bus and other. Whilst Active Travel schemes are to be welcomed, adverse impact on bus service punctuality should be minimised wherever possible. We have referenced the Trumpington Street scheme as an example where there was significant average impact on punctuality of 11 mins per bus trip. Other potential interventions include effectively using powers under the New Works and Street Works Act to ensure road works are delivered in a way to minimise their impact on buses. Last year 57,287 service miles were lost by Stagecoach East due to congestion. The business case for Franchising does not address this. Under an Enhanced Partnership Plus model, CPCA could use its investment money to address congestion through investment in bus priority with traffic signal priority; information provision; being an investment partner in a Bus Network Board with bus operators and ensuring bus/rail/school transport integration.

The CPCA region has a high rural/urban ratio. In big metropolitan areas like Manchester; South Yorkshire and Liverpool the mix is more urban/rural, resulting in a different financial case for Franchising, as they have a lot more residents who have the potential to use the bus. This is possibly evidenced by the decision of Claire Ward, Mayor of East Midlands – a similar rural/urban ratio mix area as Cambridgeshire, to try and pursue improvements through an Enhanced Partnership Plus approach and only considering a move to Franchising if this fails.

The assessment adopts an overly pessimistic view of how well an EP could achieve the objectives and the influence of the CA in the management of the bus network. We believe operators and CPCA could find workable solutions which could be agreed relatively quickly and more cheaply than franchising and formalised through an EP as evidenced in the work which has already been achieved through the CP Bus Alliance.

The EP model would achieve best value, enable long term, sustainable, competition between bus operators, provide appropriate share of risk, would be implemented much quicker and simpler and share the responsibility for recovery and flexibility.

The obvious exception would be public sector influence which can be achieved if CPCA is a willing and collaborative partner in the EP scheme.

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole network and there would be more reliance on negotiation with bus operators. Do you have any comments on this?

A21: We share CPCA's passion for delivering the best possible bus services for the people of Cambridgeshire and Peterborough and have always gone to great lengths to work with CPCA officers to try and achieve this.

This can be seen, as early as 2021, with data being shared for the BSIP. This included traffic 'hot spots' which were challenging bus punctuality. We, have supplied what passenger data we can on appropriate terms and have been honest and transparent at the financial vulnerability of some services. Our changes in October 2022, although in some respects unwelcome, had been preceded by extensive discussion with CPCA, including sharing of financial data to examine options for service reductions. When reductions were made, the resource was reinvested in services where patronage was higher, which have seen an average of 42.5% passenger growth. This approach could continue under an EP or EP Plus

arrangements over Franchising.

This partnership working, included trialling new services at the request of CPCA, the F and the 8A. Although the F was not a success the 8A has seen steady passenger growth in linking Orchard Park to the centre of Cambridge.

We then came together with other bus operators whilst still commercially competing to form the CP Bus Alliance, with the sole aim of tackling key strategic issues to ensure the residents of Cambridgeshire Peterborough get improvements now, not many years in the future. The success of this has been seen with deliverables which include the Operator Partnership services between us and SME operators; £1 fare for the under 25s and a firm focus on the importance of delivering reliability.

Stagecoach wants to move the bus network forward from the state of flux it has been in since 2018 and we have further ideas for improvements which could be offered and, which would allow the CPCA to meet its strategic aims now, funnelling money not into administration or depots, but into the real challenge to bus operations in Cambridgeshire, congestion. The sustainable travel zone may not have happened, but there are other ways forward including bus priority at traffic signals; re allocation of road space; sustainable transport only roads etc, which can be delivered now.

This demonstrates that there is a passionate desire on the part of bus operators to deliver these changes now and so the assumption in the business case that the necessary negotiation to deliver them under EP will take too long is incorrect. Lengthy mobilisation timelines under Franchising means that making significant improvements will have taken nine years to deliver from our first discussions in 2018. EP Plus could deliver them at least two years earlier. To evidence this, we would highlight how quickly real improvements have been delivered in Lincolnshire and, although it is not in our operating area, the groundbreaking achievements delivered between Norfolk County Council and First under their EP.

The EP or EP Plus approach would allow better control and provide opportunities for both large and small operators to enter the market. Contracts could be procured in phases, starting in 2025-26, a year earlier than the proposed Franchised model. Overall, Franchising comes with higher risks and requires significant resources. In contrast, an EP means the current commercial model stays similar to now, with some negotiated improvements.

L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: We would reiterate the points made in our response to Q21. We share the objectives which CPCA have outlined but want to deliver them for the residents of Cambridgeshire and Peterborough as rapidly as possible. The work which we have already done, and the other plans which are ready to take forward, will not only deliver more than what is already outlined in the business case but do it sooner and achieve more success factors by CPCA transferring at least some of its investment into bus priority instead.

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: We note from table 7-23 that Franchising, as costed by the CPCA, will lead to a near six-fold increase to the amount council tax payers contribute towards bus services over the appraisal period (the Mayoral Precept increases from £130m to £767m). This is based on the assumptions set out in the Outline Business Case Assessment (OBCA) provided as part of this consultation exercise. This was before the recent budget and resultant increase in Bus Operator costs through the increase in employer national insurance contributions.

Whilst the OBCA document sets out in detail the assumptions behind the financial case, it appears there are key areas that have either not been fully considered, or underestimated. We believe there is considerable risk that the funding required to deliver Franchising is likely to exceed even the larger Mayoral Precept requirement set out in table 7-23.

Some (but not all) of our concerns are highlighted in Grant Thornton's independent audit of the scheme (Appendix 3). Our concerns are set out below with reference (where relevant) to Grant Thornton's audit.

- CPCA Resources: Table 7-25 lists nine different departments/functions within CPCA that would require additional capacity under Franchising. From our experience in other areas, we believe achieving that level of capacity and competency with just 15 additional people (Table 7-27) is underestimating the required workload and demands. We would suspect that in reality, far in excess of the number quoted would be required, possibly by two or three times.
- CPCA technical, legal and professional fees: Section 3.126 of the OBCA refers to estimated CPCA costs in relation to Franchising of £1.39m. Section 3.130 then goes on to state that these costs are phased

over 3 years (2024, 2025 and 2026). However, there is no evidence that these costs (or at least a proportion of these costs) have been repeated for future rounds of retendering (see Appendix D of the Outline Business Case Assessment).

- CPCA procurement costs and mobilisation/transition costs: Similarly, the £300k quoted in section 3.137 of the OBCA for procurement costs is modelled to be split over 2026 and 2027 but has not been repeated for future franchising rounds (see also Audit Report). Similarly, there does not appear to be financial provision for transition/mobilisation for future rounds of tendering.
- Operator Bidding costs: The OBCA assumes total operators bidding costs of £200k incurred every five years. From our experience of bus franchising bidding (both UK and overseas), this could be a significant underestimate of the actual costs bidders will incur depending on the operating and competition models chosen.
- Depot Build costs: The cost of providing two new depots at Peterborough and Cambridge has been derived by back working the cost of a new Warrington depot as reported in a newspaper article. As the Audit Report points out, there is significant risk that the build costs may have been under or overstated.
- BSOG: The OBCA assumes BSOG rates increase by 1.56% per annum over the life of the assessment. As stated in the Audit Report, the BSOG rates have been unchanged since 2014, and there is limited evidence to support the assumption of them increasing. The Audit Report states that the funding for the EP and Franchise cases may therefore be overstated by c £36m, which would have to be funded by other sources (e.g. a further increase to the Mayoral Precept)
- Mayoral Precept: The OBCA funding requirement is dependent on the assumed size of the Council Tax base. The OBCA assumes that the base increases by 2% per annum (based on anticipated household growth in the CA area). However, the Audit Report points out that recent statistics indicate the forecast growth to be 1.74%. The difference in assumption will lead to a further shortfall of as much as £39m in the franchising case.

The Audit Report lists a number of additional risks and uncertainties. It states in the ‘risks to funding and affordability’ section that “Although uncertainty is to be expected in a scheme such as this, we have, however, concluded that outcomes consistent with the extremes of sensitivity testing undertaken (or potentially beyond) could occur. Decision-makers should therefore be aware of a real possibility that the funding requirement to deliver the service level assumed in the OBC could indeed be significantly higher than the central case presented (or that the assumed service level could not be delivered)”.

It is our view that the Outline Business Case Assessment should be re-assessed in light of the recent budget, the independent Audit Report, and following receipt of responses to this consultation exercise to iron out any inconsistencies in the current modelling.

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: Under Franchising the risk and decision on funding will need to sit with CPCA. We believe that delivering a step change in service levels to drive modal shift and increase passenger numbers, beyond what is currently forecast would be the best approach to meeting the funding requirements.

Increasing patronage that effectively pays for the services is the most sustainable financial model, however this will require substantial investment in bus priority measures to attract new bus users.

Whilst many of the residents of the CPCA region might be public transport users, increasing the Mayor’s precept of 500% will perhaps become a negative story amongst those that do not and have no intention of using public transport. With other regions choosing different funding options such as transport levy, an increase of this size levied in this way has never been seen within the UK. The nearest comparator is London which saw a 112% increase from 2019 to 2024, but this precept funds the whole TfL network including, all emergency services and

the London Underground as well as the entire bus operation, which is vast. The percentage of total investment required that the CPCA precept is forecast to bring is significant and any reduction in this value to appease voters could put the scheme at risk.

BSOG+, and other bus funding in general, is currently being reviewed and may change the level of reimbursement, which is not reflected in the financial case.

L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: Under the current system, bus operators have the flexibility to adjust fares and service provision to cover increases in costs. Under Franchising, flexing fares and services is still possible, but any fare increases or service reductions would be politically unattractive and may not sit easily with the CPCA's desire for lower and capped daily prices.

If actual costs are higher than the costs assumed in the proposal, being reasonable downside scenarios given current and forecast inflation, there could be a significant funding shortfall. Any shortfall would therefore need to be met either by passengers (increased fares or reduced service levels), the taxpayer (additional public funding), or a mixture of both. We also draw your attention to the patronage level comments we have described in our response to question L6.

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: Clearly the management of a new Franchising scheme or EP will require investment in new teams and people within CPCA to continue the work that is currently being undertaken by commercial operators.

This can partially be mitigated by close collaborative working between operators and the authority thus easing this transition and reducing the new financial burden to CPCA. CPCA will need to ensure the capabilities of the newly recruited staff are carefully aligned with the requirements of the Franchise/EP, allowing both CPCA and bus operators the best opportunities to flourish. Inexperienced and insufficient skill within the new CPCA teams has the potential to harm the reputation of CPCA and delay the work of implementing the new schemes.

Table 7-25 lists nine different departments/functions within CPCA that would require additional capacity under Franchising. From our experience in other areas, we believe achieving that level of capacity and competency with just 15 people (Table 7-27) may well be an underestimate of the required workload and demands of the new model. We would suspect that in reality, far in excess of the number quoted would be required.

Table 7-27 suggests eight to ten additional roles for an EP, for six functions (Table 7-26). Given the majority of responsibilities will still lie with operators under an EP this is probably an accurate estimate. However, table 7-26 lists additional outsourced requirements with no costs allocated in table 7-27. This may require further thought or clarification.

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: The indicative timelines within table 7-28 and 7-29 appear reasonable, noting the significantly shorter timescales required for an EP.

The governance regime is clearly detailed and appears well thought out, as do the planning stages, however there is little to describe the day-to-day management of the contract and how responsibility of the network is controlled and managed by CPCA. For bus operators to be comfortable in bidding, these details need to be clearly defined in any tender documents.

Within the new core management teams there is a strong focus on operator management and accountability, which is important. However, there should also be an equally strong focus on areas which can directly impact service provision and the customer such as operational, engineering and customer service employees, rather

than just a reporting and monitoring structure. Much of the monitoring can be automated and reviewed at regular meetings with a small number of more senior managers.

There is always a danger that a constant checking and reporting system is put in place that requires large volumes of employees both from CPCA and from the bus operators, adding significant costs without clear benefits for the travelling public. An alternative approach of Franchising light or EP+ could reduce the management administration burden on CPCA.

L28: The Combined Authority’s draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A28: At Stagecoach we welcome all initiatives and actions that improve the quality of lives for people with protected characteristics and have a good history of this ourselves. Having noted the detail in table 7-34 and appendix 6, we have the following comments;

- The benefits described for elderly and disabled passengers largely focus on DRT that is not detailed in the consultation document and in scope under Franchising or EP.
- Benefits of on bus audio announcements is now a legislative requirement of all new buses and those newer buses from 2019. Older buses will be required to comply by 2031 so this benefit will be in place nationally irrespective of Franchising.
- Bus stops, shelters and waiting areas are already the responsibility of CPCA. With the correct funding these can be improved outside of Franchising.
- All Stagecoach buses have CCTV installed as standard that helps reduce hate crime against people from protective characteristics but is specifically supportive of gender reassignment who are twice as likely to be victims of crime.
- Fares and ticketing are already being addressed by the CP Bus Alliance and can be enhanced further through EP+ arrangements.
- Reduced travel times to assist all travellers can be supported through targeted bus priority measures outside of Franchising and through clear dialogue with bus operators to determine the current pain points in this area.

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

A29: Neither support nor oppose.

Regardless of the outcome of this consultation and the final operating model chosen, Stagecoach is committed to working collaboratively with the CPCA.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: Graduated fares are fairer for the travelling public and utilising modern technology for tap on/off will allow a more accurate charge to be levied for each journey

The implementation date of prior to the new school academic year in September 2027 as detailed in table 7-27 is crucial to success. Changing services, providers and fare structures mid school term causes significant problems. If the implementation date prior to the September academic year is looking tight, then at the beginning of the following term in January would be preferable over a mid-term change. Marketing the changes to schools, students and parents during the previous term is also critical to success.

L31: Do you have any further comments?

A31: The CP Bus Alliance has demonstrated that collaborative working can provide tangible benefits for the travelling public, such as multi operator tickets, and partnerships between bus operators to save services that might otherwise have been withdrawn due to low patronage.

If CPCA entered into serious talks and investment into bus priority measures to reduce congestion and allow bus operators to operate closer to timetable, thus reducing the c.57k lost miles seen in 2023-24, then many of the objectives could be achieved sooner than 2027 and for considerably less cost and risk.

20. Stephenson of Essex Ltd

Please find answers to the long questionnaire below.

What is the name of your business or organisation?

Stephenson of Essex Ltd

What is your position/title?

Chairman

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: As in many areas, the bus market in Cambridgeshire & Peterborough faces challenges, especially post-pandemic. However, many of these will not be solved by Franchising. Congestion, poorly planned and managed roadworks, planning and spatial development issues, cheap/free car parking in many areas, and minimal bus priority, coupled with poor bus passenger infrastructure (waiting areas, stops, shelters) all require serious political will to address. None are resolved by franchising.

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: "As in many areas, the bus market in Cambridgeshire & Peterborough faces challenges, especially post-pandemic. However, many of these will not be solved by Franchising. Congestion, poorly planned and managed roadworks, planning and spatial development issues, cheap/free car parking in many areas, and minimal bus priority, coupled with poor bus passenger infrastructure (waiting areas, stops, shelters) all require serious political will to address. None are resolved by franchising.

Some reforms to the current operating model are necessary. However, the level of upheaval proposed by franchising is extremely risky, with a highly uncertain and unfunded price tag, and there is no clear evidence that the Combined Authority has the resources, skills or finance to deliver all the changes necessary.

An EP solution is both more deliverable, more affordable, and far less risky for passengers, the public purse, and indeed operators."

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: No.

L4: Do you have any comments on the Combined Authority's overall objectives, as set out in the Strategic Case?

A4: The objectives are laudible, if somewhat poorly-defined and rather 'motherhood & apple pie' in some cases (for example, 'to deliver a comprehensive bus network, better connecting people to places'). However, many do not require franchising to achieve – and indeed franchising as outlined in the Business Case will NOT achieve them (eg to reduce bus journey times and improve reliability).

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: "Unfortunately, at least some elements of this section are wholly inaccurate. The Suffolk section merely highlights some vague positive impacts such as improved strategic bus links. In reality, strategic links will be destroyed. Since we commenced operation of service 12 (Cambridge – Newmarket) in October 2022, most journeys have been cross-linked to our services 16 Newmarket – Mildenhall – Bury (which has itself recently been enhanced and extended to West Suffolk Hospital). Consequently passengers can travel from Cambridge to

Bury, or from the Newmarket estates to Cambridge, or from Mildenhall to Cambridge, without changing buses, and there are encouraging signs of growth as a result. In the CPCA franchising proposals, the 12 will become part of the franchised network. Through journeys and through fares will no longer be possible. Moreover, as the two services are efficiently interworked, their separation will mean that an additional bus (and drivers) will be required to run the 16. It is unlikely it can bear this cost and will probably face withdrawal, unless Suffolk CC can find the monies to fund the additional bus. Even then, the through journey and ticketing opportunities will disappear.

It is unclear why, as a cross-boundary service used mainly by Newmarket (Suffolk) residents travelling into Cambridge, this service (12) has been deemed to be part of the CPCA franchise network when other similar services (for example 101, 102 into Peterborough) are not."

L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

A6: "As noted in the Grant Thornton review, in respect of the franchising option:

1. Funding requirements could be significantly higher than anticipated
2. Lower and declining service levels are what the assessment shows will be deliverable for the central case funding scenario, the one proposed.
3. The Business Case is largely based on national average operating costs. However, labour costs are notably high, especially in the Cambridge area, and this probably means that likely cost levels are significantly understated in an industry where labour costs represent up to 60% of total costs.
4. As noted above, the impact on passengers in neighbouring authorities making cross-boundary journeys has been glossed over.
5. The goal of 'simplified ticketing' means that some passengers will pay more. This downside does not appear to be referenced anywhere in the consultation."

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: "There are several dubious assumptions which lead to this apparent conclusion.

1. 48% of passenger benefits are deemed to come from reliability improvements. This can only come from a significant and comprehensive uplift in bus priority measures (for which insufficient capex costs are allowed, and would be politically unachievable, probably requiring banning of private vehicles in areas like central Cambridge where space is highly constrained). Alternatively it can come from allowing more and more running time to achieve the timetabled frequency, which requires additional PVR (it also doesn't make the journey any quicker for passengers – indeed on journeys where there is little congestion, service regulation will inevitably slow the journey down). This latter scenario will incur significant extra costs – as is now being demonstrated in Manchester – and for which there appears to be no budget allowance.
2. BSOG is assumed to increase each year, and this is justified by post-covid funding levels. Such an increase – whatever form funding consolidation takes going forward – is highly unlikely and has never happened before.
3. The OBC says that new vehicles will be phased in, but all buses will be Zero emission by 2030. If the initial rollout of franchising is in 2027, that means all vehicles will have to be replaced with electric within 3 years of the first franchise starting (so probably within two years of the second franchise). Even if manufacturers could achieve these delivery timescales, which seems unlikely, it means that either the 'phasing in' of new vehicles statement is untrue. And this will significantly impact implementation and costs."

L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: The third objective – competition between bus operators – is key. Whilst noting that the delivery model should enable the participation of small and medium operators, there is no real explanation anywhere in the

documentation that shows how this will be achieved. There is reference to there being several lots of different sizes. But no reference to how the pre-qualification and tendering process will be less bureaucratic and burdensome for an SME bidding for 5 or 10 vehicles than a foreign multi-national bidding for 100 vehicles or more. Or indeed how a company successfully pre-qualifying for a 'large' lot won't be able to cost effectively (both in bid cost and operational cost terms) won't be allowed to simply bolt-on smaller lots at the expense of SME's on a marginal basis. The authority's plan to own some depots but not others will also complicate the bidding costs for electric vehicles, where a large proportion of the initial cost is infrastructure provision for power supply at depots. Will this cost have to be included by a bidder using a CPCA-owned depot? If not such bidders will be at a significant cost advantage. SME's tend to run from smaller depots – again, electrifying a depot for 60 vehicles is not 10x the cost of electrifying a depot for 6 vehicles. So larger operators running from larger depots will have a natural price advantage. What will CPCA do to overcome this?

L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

A9: As noted above, the inclusion of certain cross-boundary services in the franchising scheme (but not others) is not logical. It will result in significant detriment to many passengers travelling from out-with the CPCA boundary, and indeed many making journeys wholly outside the boundary if service withdrawals result.

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: The OBC suggests a mobilisation period of 8-9 months following the award of contracts. For any operator who is not effectively a current incumbent operating at a similar scale, that is not likely to be realistic, or indeed for any operator when new vehicle acquisition is involved. Current timescales for new vehicle delivery, depending on type and manufacturer, are 9-12 months – and that excludes the prior specifying, procuring and ordering process, and the post delivery inspection and commissioning process (CCTV, ticket machines, driver telematics, audio-visual systems, driver familiarisation). And that is for diesel buses. Timescales for electric vehicle production and the associated depot infrastructure and training will be even longer. These are even bigger risks for an SME who does not have the same continual vehicle intake and ongoing manufacturer relationship as the big groups, with the latter possibly having the ability to 'juggle' vehicle orders to achieve tighter timescales. Setting unrealistic target dates for mobilisation is likely to mean that SME's will be unable to submit compliant bids, or bid at all, undermining the authority's stated objectives on SME participation, and making the competition potentially unfair. The authority has a track record of such behavior already, and it would be extremely unfortunate if such procurement practices were perpetuated.

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: This is a not unreasonable contract length. However, it is essential that the annual price adjustment formula used is a realistic one. As noted earlier, bus operations are heavily labour intensive, and it is rare for CPI (as an example) to reflect annual bus operating cost increases. With a contract of 7-8 years duration, an index that doesn't reflect real cost increases will quickly result in the successful bidder losing money and seeking ways to cut costs. Alternatively, bidders will de-risk the position by heavily front-loading the bid price to allow for annual increases not keeping pace. Once again however, thought needs to be given to the competitive position of SME's. A diesel bus has a book life of typically 12-15 years (and an actual life of up to 18 or 20 depending on type), and is depreciated accordingly. A big group losing a CPCA contract after 7-8 years can probably redeploy the surplus vehicles elsewhere in its fleet, as noted on page 174 of the OBC. An SME may well have to sell on the open market and risk a loss – or attach a higher annual depreciation charge in its initial bid, rendering it less competitive. The situation with electric bus lifespan is of course largely unknown at this stage.

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: The split of services into different size lots only gives partial protection to SME's. In Manchester, SME operators faced virtually total wipe-out in the franchising process, despite a similar split into large and small lots. However, lot sizes are not the only issues. Large groups have permanent bidding teams and in-house legal experts, able to draw upon a huge library of policy documents and previous bids. The cost can be spread over a large number of bids for many customers – and the outcome will be a balance of wins and losses. An SME has

none of that central resource, or the ability to spread cost and risk. Therefore it is also essential that for SME's and/or smaller lots, the whole bidding process is dramatically simplified.

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: "Please see earlier responses. The SME operators currently operating in the CPCA area have in most cases a long traditional of local service, are locally owned and managed, and heavily embedded in their local communities with a deep understanding of their markets. Their expertise is in running buses, not bidding for contracts, and they do not have the ability in most cases to take on high levels of risk, or uproot their operations to another area if they lose their existing market. In many cases they also provide school services and/or private coach hire, and the loss of bus operations may jeopardise the continuation of these other segments.

Thus it is essential that CPCA takes on board the points made elsewhere in this response re the risks to SME's and the need for suitable lot sizes, simplified tender requirements, unrealistic vehicle acquisition or mobilisation requirements, realism re electrification, and the potential loss of cross boundary links."

L14: Do you have any comments on the approach to bus depots under Franchising?

A14: "With the proposal that the CPCA owns some depots, but not others, it will be very important to clarify how depot costs (both capital and operating) are dealt with in competing tender bids to ensure there is no unfair competitive advantage either way. The issue will become even more pronounced where electrification is involved, where infrastructure and connection costs can be both high and variable. The relatively high cost of electrifying smaller, outlying depots, is also like to make bids using such locations (and therefore especially SME bids) less competitive.

It is unclear how the concept of 'shared depots' might work in practice, given health & safety challenges, differing operating procedures between companies, and competing staff rates of pay and terms and conditions."

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: No.

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: "Careful consideration needs to be given to this area, and the associated costs.

1. Where an SME operator loses its complete business as a result of the franchise process, whole teams of staff may be rendered surplus, from management and supervisory to drivers, cleaners and engineering. Some of these might not strictly be covered under 'TUPE' regulations. But in such circumstances it would be a huge financial burden, in addition to the loss of business and other costs of closure, for an SME to fund redundancy costs. In such circumstances all redundancy costs (where staff are not required by the winning operator) should be borne by CPCA.

2. Costs always settle at the highest common denominator. Therefore a group of drivers transferred upon a franchise win from an operator with lower rates of pay or T & C, to one with higher rates, will inevitably end up being paid the matching, higher rate. That may of course be regarded as a 'good thing'. However, it will of course in the medium term result in the cost of bus service provision rising for the CPCA."

L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: No.

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

A18: No. However, the notion of subsidy-based contracts in a franchised environment seems unrealistic. There are so many risks to revenue allocation from an operator perspective where many ticket products are on-line or off-bus, are area based multi-journey products, or where particular ticket types or user classes will be subject to political objectives, that it is hard to see how an operator will calculate its likely income. Furthermore, from a CPCA perspective, it will mean time and resource has to be spent 'allocating' all generic revenue to a specific route or operator, and dealing with subsequent arguments. Surely that is one of the reasons for preferring the franchise model? Where risk is taken by CPCA. A subsidy based contract contradicts that by trying to pass it back to the operator!

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A19: Little or no consideration seems to have been given to what happens to the bus network and the customers using it if for whatever reason (financial or otherwise) the CPCA at some future point decides to exit from the franchised model.

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: It seems from the evidence in the OPC and the review by Grant Thornton that an EP would be potentially significantly easier to achieve with far lower risks to the public purse, with outcomes potentially not far short of that claimed to be achievable by franchising.

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole network and there would be more reliance on negotiation with bus operators. Do you have any comments on this

A21: See above comments.

L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: That rather depends on how realistic the financial data used within the OBC turns out to be. It is little comfort to note, as one example, that the OBC (page 105) refers to an increase from a 30 minute to a 15 minute frequency as a 50% increase in 'headway'. It isn't – it's a 100% increase in 'headway' – along with resource, all other things being equal.

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: "There is a huge level of guesswork in the numbers. This is to some extent inevitable, but does give the outcome a very high level of risk.

It is hard to see where the depot infrastructure costs for electric vehicles are incorporated – either with the owned depots or those owned by operators?"

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: No.

L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: It may give the CPCA greater control over bus services. It does not however give them control over GCP, Cambridgeshire County Council, District Councils, private car parks, or various other key stakeholders. Many of

these other bodies have key influences over demand, levels of private car use, the highway network and congestion, and other factors which are almost more important to bus use and modal shift than the buses themselves. Without the ability to control some or all of these other key influencers, the risk is ever greater than the Grant Thornton review highlights.

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: It absolutely will. And I believe the level of resource needed, and the level of expertise needed, is dramatically under-estimated in the OBC. And consequently the costs and challenges involved in getting there. Already, 'business as usual' is crumbling, as all existing staff resource appears to be diverted almost entirely to the grand vision of franchising.

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: The implementation timescales for franchising appear 'brave' – given the staff and resource constraints outlined in the previous question, and the track record of decision-making process and timeliness within the authority.

L28: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A28: No.

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

A29: Strongly oppose. I believe it financially very risky with limited upsides compared to an EP. I believe it is also a significant threat to my business (which is an employee owned SME) and others like it.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: "1. A much more realistic assessment of likely costs

2. A clear path for the inclusion of SME's."

L31: Do you have any further comments?

A31: No.

21. South Cambridgeshire District Council

Please find the email response below.

Bus Franchising

I am responding on behalf of South Cambridgeshire District Council.

In principle, the Council supports the introduction of the proposed franchising scheme, and would like to make the following observations/suggestions:

- The Council notes the importance of ensuring that bus services in the future realise the significant mode shift from private car use and optimise the use of our existing and future planned infrastructure to underpin sustainable growth; the Council wants the franchising decisions to drive economic growth in new settlements but also to underpin the transport strategy and our economic growth objectives of the CPCA
- Economic growth includes Skills in its widest sense. The availability of public transport to get children, young people and adults to places of education and training, must also be a key consideration in any new model.
- The Council expects to see better bus services within South Cambridgeshire, and improved connections with other destinations such as Cambridge. Buses should be affordable and reliable. This is especially important for those most reliant on public transport. As a rural district, our residents have long suffered woefully inadequate bus services, and we expect these to improve significantly under a franchising arrangement.
- The Council is keen to ensure that governance arrangements for the franchising set up (in whatever entity the franchise is established) have democratic oversight, including taking on board the views of local members.
- The Council also expects the CPCA to ensure it has the funding, capacity and capability to manage the transition and the service on an ongoing basis.
- The Council is keen to see rapid transition to a net zero fleet.
- The Council is keen to see accessibility prioritised.

22. Suffolk County Council

Please find answers to the long questionnaire below.

What is the name of your business or organisation?

Suffolk County Council

What is your position/title?

Integrated Transport & Enhanced Partnership Manager

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: Focus on cross-border services only. We receive very little feedback in general on the Haverhill - Cambridge corridor (Stagecoach, 13) other than that it should cover more of Haverhill and run more frequently. The Newmarket - Cambridge corridor changes in recent years have had a greater impact on Suffolk residents, with the loss of the Bury - Newmarket - Cambridge service in particular also meaning that links from Kentford, Exning and Burwell into Newmarket have been significantly reduced, alongside the loss of journeys within Newmarket. We put some funding in to facilitate Stephenson's taking over the Newmarket - Cambridge route on a mostly commercial basis, and are grateful to the CPCA funding other journeys, but the end result is not as good as previous services.

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: Yes. Competition between operators has failed to happen in rural areas and the need for commercial viability means many places lack the service levels required to make bus an attractive proposition.

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: No. "Do nothing" is not conducive to improvements and the only other option - a CPCA owned operator to run unprofitable services - is currently prohibited by law.

L4: Do you have any comments on the Combined Authority's overall objectives, as set out in the Strategic Case?

A4: No, all makes sense.

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: "As a neighbour, our prime concern is not losing any current cross-border routes or the journeys that such routes provide solely within Suffolk (town services in Haverhill and Newmarket). Residents do not worry about administrative boundaries when making travel choices, nor care who is funding bus services but are quick to blame local authorities if routes are cut. Suffolk has not yet considered whether to properly investigate franchising but is keen to learn from your example.

A secondary concern is the ongoing resourcing of bus services within Suffolk. Most routes in the west of the County are operated by bus companies based outside the county. If these operators are able to win longer-duration franchise contracts, giving them security of income for 7-8 years, they may be reluctant to continue with commercial operations in Suffolk where margins are small, or to bid for Suffolk contracts that tend to be only 3-5 years in duration. Without a significant increase in fleet sizes and driver recruitment we may be left with gaps that cannot be filled.

Given the provision of town services in Newmarket and Haverhill by the Suffolk-ends of cross border routes, it is vital that SCC is able to continue with influencing these trips. We want to see improvements in and around both towns and, should we have funds to do so, need to be able to implement change without any obstacles that franchising of those routes might bring about."

L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

A6: Experience with the Suffolk EP is that while operators may support improvements, they do not necessarily have the resources to implement them under an EP framework. If we were in the position to make significant investment into the network, then we would be more likely to want the level of control that franchising would make possible to get the best use of such money.

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: It looks fine on paper, reality may differ.

L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: No.

L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

A9: It should address the concerns stated.

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: Seems realistic when compared with the Manchester experience.

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: Only as stated above for the potential impact on Suffolk services. Longer duration contracts should be beneficial by giving stability for operators and passengers.

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: No.

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: "Yes - although while a 1 or 2 route contract may suit the smallest operators, would it be reasonable for larger companies to be excluded from bidding for these? If there is a clear financial advantage for routes to be grouped into larger contracts (from assessment of costs received/possible through combining contracts with a single operator rather than that being the original intention) then it would be foolish to not take up that opportunity to make savings for use elsewhere.

What happens if a small operator wins no work under Franchising, and is also not able to continue operating commercially as the routes they used to do are now part of the franchise and contracted to someone else? Would you grant them a permit to run something different or just accept that they will be forced to close?"

L14: Do you have any comments on the approach to bus depots under Franchising?

A14: Co-location of operators within the franchise area and increased depot availability has the potential to reduce dead mileage.

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: T&Cs for contracts will need to be strict to ensure standards are matched between operators. Experience elsewhere has seen LTAs struggle to agree on vehicle design standards, layout, provision of priority seating with multiple operators. Ownership of vehicles, ETMs etc is the only way to ensure that everything matches. Even then, this is a long-term project as vehicles reach their lifespan.

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: This is not significantly different from current TUPE arrangements if contracts change hands.

L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: Reporting of KPIs such as punctuality, lost journeys, passenger numbers needs to be published in an understandable format and challengeable by passengers. They need to be able to see that the network is meeting their needs and how problems are addressed.

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

A18: Some concern that split responsibility ultimately means nobody being willing to take on responsibility for solving problems but instead blaming each other. Passengers need a single point of contact and transparent reasoning behind decisions affecting their travel.

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A19: No mention of the road network that the buses operate on. Improvements can only be delivered by controlling where and when buses have priority over other traffic, who is able to disrupt the network by digging up/closing roads, how new developments get served and their impact minimised etc. This control needs to be included in all future plans, whether franchised or not.

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: Operator innovation is currently tied to their ability to profit from it. Having no commercial services and everything franchised does run the risk of stifling innovation. Operators would have no incentive to invest/change within the span of a contract, and the CPCA may not be able to increase payments mid-term to facilitate change. There would also be the potential for objections to be raised around public funds being used to try innovative concepts that may fail.

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole network and there would be more reliance on negotiation with bus operators. Do you have any comments on this

A21: Negotiation/EP can only achieve so much when operators still have their own objectives. Consistency across the area is needed to attract new users - equality in fares for all routes, clockface timetables, information at stops. Franchising gives the ability to control all of these.

L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: No.

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: No - just jealous of the budgets available!

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: I note fares income is based on pre-£2 cap levels. Would be interesting to see how much this has changed, and also what the levels of Government re-imburement are as so far I've not been able to persuade any operator to share that information.

L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: No.

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: If neighbours also go for Franchising, there is the possibility of creating an agile, cross-border staff group to help upskilling across all authorities and share knowledge.

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: Should probably be expanded to cover control of the road network, development across the region etc as covered above.

L28: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A28: Improvements apply to all users whether they fall into one or more of the protected characteristics.

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

A29: Tend to support. Has the potential to do a lot of good, just the concerns about potential impacts on Suffolk.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: As stated, control of buses needs control of roads, development, parking charges, enforcement etc. to be fully effective.

L31: Do you have any further comments?

A31: NOT ANSWERED

23. The Go-Ahead Group

Please find answers to the long questionnaire below.

What is the name of your business or organisation?

The Go-Ahead Group

What is your position/title?

Managing Director – UK Regional Bus

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: "We do not believe it is appropriate for us to comment on performance of individual operators.

We do however note, the evidence provided within the Consultation documents at a network level, supported by other publicly available data which highlight the contraction of the network and ongoing challenges surrounding post-COVID patronage recovery. It is reasonable to suggest these trends serve to further undermine the ability to invest in improving the network, and are contrary to the objectives of the region's Bus Strategy.

We note the quoted decline in passenger numbers from 33.7m in 2009/10 to 30.3m in 2018/19 quoted within the Consultation Document, which despite some recovery since COVID, signifies acute challenges to network sustainability across the region. Post-COVID patronage recovery has been uneven with growth on certain services (e.g. the Park and Ride – 22% above Sept 2019 levels alongside the Cambridge busway), while other parts of the network have seen much lower levels of recovery. For example statistics for one operator's Cambridgeshire and Peterborough depots (excluding P&R) appear to show patronage levels are still 5% and 21% below Sep 2019 levels respectively (The Cambridgeshire Insight Quarterly Transport Data Update from Sept 2024). While we recognise these figures will not show the whole picture including other operators, it is indicative of significant ongoing challenges attracting passengers back.

Significant cuts to the region's bus network in recent years indicate the challenges faced by the Authority and operators and are counter to the ambitious growth targets within the Bus Strategy, supporting the case for change. Official bus statistics show the East of England as having the third highest % reduction in annual bus miles (20% reduction compared to a 14% average reduction in the UK between 2019 and 2023), suggesting the local network is facing more acute challenges than other areas. Network decline is also highlighted in 7.35 of the Consultation Document and 2.110 of the Full Assessment, with current network 'less evident in rural areas.' Press reports highlight a number of service reductions including cutting 18 services in Cambridgeshire at the end of October 2022 by way of example (<https://www.cambridge-news.co.uk/news/bus-timetables-list-cambridgeshire-villages-25072325>).

The Consultation Document mentions challenges sourcing public funding to support increasing numbers of services. In addition the impact of the recently announced change in the Government-sponsored fare cap from £2 to £3 is uncertain. Both of these are likely to further challenge local operators and the Combined Authority in the delivery of a reliable and comprehensive network.

It should also be noted that many of the factors contributing to this deterioration in the network (outlined in our response to L2) are outwith the direct control of operators, but without sustained investment and joint collaboration with the Local Authority, it is unlikely these trends can be reversed and the potential of the region's bus network fully realised.

It is noteworthy that the Authority's consultation on the draft Bus Strategy in 2023 (7.39) highlighted people's priorities for improving bus travel which included:

- Provision of more services in rural areas (60% of respondents)

- Better integration across the bus network (56% of respondents)
- Quicker and more reliable journey times (38% of respondents)

These all point to gaps or potential shortfalls in the current network (or at best an opportunity to improve), which again would be best served by a reformed bus market, such as deeper partnership working or a transition to franchising."

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: "Overall we understand and support the need for bus reform as concluded by the Strategic Case within Cambridgeshire and Peterborough. We recognise the Cambridgeshire and Peterborough region as a whole is characterised by a specific set of challenges and traits, which make delivery of a coherent and comprehensive bus network particularly challenging, unique or more acute than in other areas. These challenges and the resulting negative impacts on the network and bus patronage (as outlined under L1) are worth highlighting as part of the Strategic Case and support the case for reforming the local bus market. Such factors and how they specifically apply to the region include:

- large geographical areas and the mix of highly diverse operating environments, with the key urban centres of Cambridge and Peterborough contrasting with the vast rural hinterland characterised by some of the lowest population densities in England (e.g. East Cambridgeshire with a 2022 density of 137 people per km sq). Paragraphs 7.109-111 of the Consultation Document also highlight the unique position of CPCA in terms of the profile of urban and rural networks, concentrated populations and areas with dense and areas with no bus services. This makes delivering a region-wide consistent and high quality network under the current model particularly challenging
- constraints on available public funding to support commercially-unviable services, notably rural, weekend and evening services, particularly in a region which has seen the third highest % mileage reduction in the UK between 2019 and 2023, and added pressure on the local authority to step in and fund socially necessary services
- rapid population growth in key urban areas with a corresponding need for significant additional bus priority infrastructure and capacity – noting Cambridge and Peterborough had the 4th and 5th highest population growth in England in the 2021 Census (7.18). This raises acute challenges to increase public transport provision to keep pace with such growth, further compounded by a forecast 40% increase in car journeys by 2031 adding to congestion (7.22). While growth has outpaced the rest of the UK, it is not uniform across the region, with the potential need to divert finite resources to urban centres to the possible detriment of lower growth rural areas
- major development areas of regional and national significance, in terms of housing, employment, education and healthcare (e.g. the new Cambridge Cancer Research Hospital), all require a strategic view and a guiding mind to ensure bus network design (married with infrastructure enhancements) support such developments while helping deliver the ambitious targets within the Cambridgeshire and Peterborough Bus Strategy. Joined up planning and coordination on such a scale is not always possible when involving multiple local operators, suggesting a need for reform
- high levels of urban congestion affecting journey times and reliability, in areas without adequate bus priority measures. We note from The Cambridgeshire Insight Quarterly Transport Data Update from Sept 2024, average daily traffic flow on the region's strategic road network is now 10% higher than Sept 2019. Out of all parts of the region Cambridge had the highest percentage change with a 30% increase, which will be contributing to congestion levels and increased bus travel times. We also note the high proportion of bus services (20%) run late, in large part due to congestion (7.21)
- a significant number of operators operating in the region, which can result in a complex array of routes, ticketing options and service propositions as well as a lack of service consistency for the travelling public. The Consultation document highlights at least 10 (smaller) operators despite the dominant presence of one operator

- transport emissions are 50% higher than UK average (7.28) suggesting public transport requires increased investment and focus to drive modal shift, coupled with progressive car deterrent policies. Recommendations from the CPCA's Independent Commission on Climate included a proposed action for all buses to be zero emission by 2030 which is challenging in the current environment, characterised by a contracting network, declining revenues and multiple operators, particularly considering the investment and expertise required to support such a transition.

The above factors contribute to the challenges identified in the Strategic Case, particularly the ability of multiple operators to deliver a consistent service and for a sustainable, dynamic and commercially-viable network across the entire region.

The above points in response to L1 and L2 would suggest that targets within the Cambridgeshire and Peterborough Bus Strategy, including doubling bus use by 2030 (6.7 of the Consultation Document) are not currently achievable without concerted public and private investment in the network, fleet and crucially bus priority infrastructure.

Considering the above, in the context of Cambridgeshire and Peterborough, we believe it is reasonable and sensible to consider reforming the market, particularly if it could enable additional public investment to be accessed. We would equally note that the factors outlined above, would support the case for greater unifying control and investment, supported by the competitive stimulus of best practice and innovation enabled by franchising or deeper partnership within this region."

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: As outlined under 7.76 of the Consultation Document, the Bus Services Act 2017 stipulates transport authorities should adopt either an Enhanced Partnership and/or a Franchising model. However, we note there are variations on the binary choice between EPs and franchising, for example the Busway could lend itself to specific route or corridor franchising, in case there were insufficient funds for region-wide franchising.

L4: Do you have any comments on the Combined Authority's overall objectives, as set out in the Strategic Case?

A4: "We agree the objectives as outlined are relevant to support the desired outcomes and the ambitious overall target to double bus passengers by 2030 is to be commended. We would however make the following comments:

- The vision states provision of a comprehensive network of bus services across the region that people find convenient...and a viable alternative to the car. While we fully support this vision, we would question whether there should be recognition of the challenge and potential need for differing delivery modes between the highly contrasting urban and rural areas
- The stated objective to achieve a transition to a modern, low emission bus fleet could be taken further to reflect zero emission ambitions, particularly considering the CPCA Independent Commission on Climate proposed actions included a target for all buses to be zero emission by 2030 (7.34)
- Our own experience suggests the stated objective of reducing bus journey times and improving reliability (through well-considered bus priority measures) is critical to driving a step-change in passenger demand, creating the virtuous cycle of increased revenue and efficient driver/vehicle utilisation to support added frequency and investment in further service enhancements. This is equally borne out by patronage growth on Cambridge's Guided Busway. This therefore underpins and/or enables many of the other stated objectives including ability to invest in new vehicles and improve affordability. It should also be noted in view of the major ongoing development in the region, that bus priority is incorporated at the early design phases of any scheme above any car-supporting infrastructure
- We note the Bus Reform Objectives include maximising the ability to achieve a significantly enhanced/integrated network and maximise bus user benefits (e.g. integrated ticketing). These would clearly need to be balanced against the finite resources available and the stated need to maximise value for money"

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: "Table 7-8 provides a helpful summary of potential benefits, however any benefit/disbenefit arising from e.g. ticketing reform or service standards on cross-boundary services would clearly be dependent on the detail stipulated in Service Permit requirements. It will be important to ensure that such requirements are reasonable, proportionate, aligned to any standards/conditions the operator has to meet in neighbouring areas and does not serve to disincentivise the operator from running any marginal services at present levels.

In addition, recognising industry-wide recruitment challenges, any expansion of the bus network in Cambridgeshire and Peterborough (and any franchising procurement) should incentivise operators to recruit and train from the local area rather than recruiting from neighbouring areas."

L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

A6: "The potential positive impacts of introducing the proposed Franchising Scheme or an Enhanced Partnership are well summarised in 7.138 and are widely interlinked. It is arguable that such benefits are more generally associated with increased bus usage and modal shift, which in some markets can be best achieved through EPs, while the conditions in others mean franchising can offer greater opportunity to deliver them. As outlined above sustained ability to invest in services and bus priority infrastructure married with progressive car deterrent policies is essential to support modal shift and attain the broader economic, environmental and societal impacts. The ability and extent Franchising or EP can deliver these will clearly depend on a wide variety of factors and the local context. As outlined in our response to L2 above, Cambridgeshire and Peterborough have some unique characteristics and challenges which lend themselves to greater control and coordination from a centralised body which can view the highly diverse network holistically. This would suggest competitive franchising rather than an EP would maximise the extent the stated benefits could be realised in this context, further supported by the greater Benefit to Cost Ratio (BCR) in Table 7-10.

While we have not analysed the monetised figures in 7-10 in detail and have taken them at face value, we would make the following observations:

- It is recognised that the Costs and Benefits used to calculate the respective BCRs have needed to be based on a wide range of assumptions. These will ultimately be subject to the precise model of franchising or EP opted for. For example, levels of operator margin will ultimately depend on the scale of award, contractual and risk profile, which we understand is still to be finalised and subject to future engagement
- To achieve the optimal operating cost (to derive the BCR) for franchising, an open competitive procurement process should deliver cost efficiencies (as well as driving innovation) in this region, but this emphasises the need to remove barriers of entry for non-incumbent operators. The proposal for the Authority to provide depots for the larger contracts helps support this although the responsibility to procure vehicles and the anticipated retention of other primary depots by incumbent operators could risk affecting the attractiveness of the opportunity to 'new to area' operators and their decisions to participate in any procurement process
- Furthermore, we would wish to clarify the reference in e.g. 5.32 of the Full Assessment document suggesting "...there will be plenty of opportunities for operators – indeed, it is the desire to maintain all existing operators. Contract packaging will be designed to achieve this. Therefore, the preferred outcome is for all current operators to continue playing a part and to retain their current bus depots, such that there will be little need for staff transferring under TUPE arrangements." This could be interpreted to run counter to the commercial objective stated to increase competition between operators and encourage competition on a 'level playing field' basis. We would be concerned if any procurement process were structured in any way to favour incumbent operators, particularly considering the cost of participating in a tender process and level of initial investment (and risk) associated with market entry. If there was suggestion that any procurement might favour incumbent operators, we would be unlikely to participate.
- Ongoing engagement with operators (both local and from outside the area) is encouraged to further address any concerns and refine the process and terms should Franchising be adopted."

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: "Please also refer to our response under L6.

It would appear there is a typo in Table 7-11 where the Present Value Costs (PVC) of franchising is actually showing as lower than for the EP option (i.e. it is shown as £21,753,889 instead of £121,753,889 (as shown in Table 7-10).

Clearly the benefits derived from franchising and indeed EPs have needed to be derived from a series of informed assumptions. These will ultimately be subject to the precise model of franchising or EP opted for. However both options will require long-term funding commitments both to delivering and supporting the network (notably commercially-unviable services), bus priority measures, network development and fare capping to deliver the high levels of patronage (and therefore revenue) growth. It is also clear that strong partnerships with a range of operators, who can bring in innovative means of delivering quality services efficiently (including supporting fleet decarbonisation) will be key to delivering (and exceeding) the assumed benefits of franchising over and above the Enhanced Partnership model in the area. This would be greatly facilitated by encouraging a mix of local and new-to-area operators, through a competitive and attractive procurement process.

As outlined in our responses to L1 and L2, we note the particular characteristics of the Region, including the highly contrasting demographics and socio-economic profiles between urban centres and also between urban and rural areas. We therefore support the sentiment in 7.141 that franchising would, on balance, allow greater influence in distributing the identified benefits, targeting those who can gain the most in the Cambridgeshire and Peterborough region."

L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: "The stated commercial objectives appear sensible and should translate into benefits to the customer, stimulating patronage and therefore revenue growth (as also indicated in the alignment between the Strategic and Commercial Objectives in table 7-12).

An additional element of the commercial objectives could include 'workforce impact' ensuring no unnecessary impact on bus workers with regard to their terms and conditions.

It is also important to note the interdependencies between the Commercial Objectives. For example, an appropriate risk allocation between operators and the CPCA (and which is sufficiently attractive/palatable to operators), is essential to encourage a competitive tendering market, competition between bus operators and ultimately best value. We recognise and fully support the objective to ensure the delivery option is commercially viable for operators and encourage competition on a 'level playing field' basis – which we understand to mean both local incumbents and new-to-area operators. As noted in our response to L6 above there is reference in e.g. 5.32 of the Full Assessment document suggesting "...there will be plenty of opportunities for operators – indeed, it is the desire to maintain all existing operators. Contract packaging will be designed to achieve this. Therefore, the preferred outcome is for all current operators to continue playing a part and to retain their current bus depots, such that there will be little need for staff transferring under TUPE arrangements..." This would benefit from further clarification to ensure it does not conflict with the stated objective of 'a level playing field'.

Key to encouraging competition will be depot provision (as discussed in later question responses) which, we understand, is to continue to be provided in a majority of cases by incumbent operators. This could represent a disadvantage to operators from outside the area in both the short and long term (recognising that the Authority has plans to develop two depots which could partially mitigate this), while also not necessarily meeting the 'public sector influence' objective.

As mentioned above, and irrespective of whether franchising or EPs are pursued, investment in bus priority measures and full integration of such measures within the initial designs of major developments will be essential to meeting the CPCA's Bus Strategy objectives. This investment will underpin a number of the stated commercial objectives (e.g. best value, ease of implementation and recovery and flexibility).

The negative assessment of current bus arrangements against the CPCA's commercial objectives (Table 7-14) result specifically from the characteristics of the local area, market dynamics and the unique challenges these present. It is clear every market is different and the optimal model of bus operation will vary by region. Other markets would deliver very different ratings to those in Cambridgeshire and Peterborough arising from, for example, the nature of partnership between operators and local Authorities (e.g. characterised by very close working and communication), sufficient population density in relatively contained geographies and level of bus priority. Such characteristics have brought many of the benefits using the current model, including growing ridership, expanding route networks and investment in fleet.

Regardless of model adopted, it is clear a successful bus operation delivering for the local community requires a strong partnership approach between proactive bus operators and local transport authorities supported by open communication and regular engagement. This will help leverage the skill and experience from operators to support delivery of the stated objectives."

L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

A9: "In order to be successful and to deliver consistent benefits to the people of Cambridgeshire and Peterborough, we recognise ideally that franchising would encompass the entire Combined Authority area. This would enable the delivery of consistency across the region. However alternative options could deliver targeted benefits, in the event insufficient resources were available to implement across the entire region, including route or area based franchising.

If consistent scheduling and network planning is to be undertaken by the Combined Authority (as proposed), this should cover as wide an area as possible to ensure connectivity and consistent approach to service frequencies across the region. In view of the contrasting city and rural areas, the approach adopted will need to sensitively consider the differing needs of the respective communities, with a network and frequency designed to optimise resource allocation, while providing upgraded services for as many people as possible (including those in rural areas). Examples cited including Demand Response Transport could provide one element of this, while greater destination marketing to attract more leisure travellers to particular rural routes (including the market towns in the region) could also support this. Go-Ahead's regional operating companies have extensive experience of using marketing, leisure travel and tourism to increase demand and support the sustainability of routes, for example.

In addition, to leverage efficiencies of scale and attract sufficient operators to participate in tender opportunities, the greater the area (and associated PVR), the greater the benefits, including value for money and a diverse range of operators each bringing their own expertise and best practice.

Some further comments and observations relating to this section of the Consultation Document include:

- It is noted in 7.158 that franchising would exclude certain school services, and would suggest including such services within any franchising procurement is worthy of further consideration, ensuring the scale of the network and benefits of a competitive procurement exercise are leveraged, while also driving greater consistency. Measures could be put in place to ensure SME operators are not disadvantaged in this area, where significant proportions of their operations may be focused
- While privately funded services such as the Universal Service for University of Cambridge would be excluded, close collaboration and identification of synergies and alignment of specifications (network/service/fare structure design), would drive further consistency and potential benefits to local communities and customers
- We note in 7.156 the proposal to share responsibilities and risks with operators, and to work '...collaboratively to define and design provision, incentivising operators to increase usage and benefit from increasing revenue.' While we would like to review further detail on the preferred approach and how it would work in practice, the overarching principle of incentivising operators to grow patronage is welcome. It would however depend on extent to which operators are given ability to harness extensive experience in delivering innovative campaigns in other markets and the ability to flex demand levers such as service frequency etc.

Operators would also need sufficient safeguards to ensure core operating costs are covered in the event of a patronage drop in order to ensure the long-term market attractiveness and sustainability of operations."

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: "We have no specific comments on the proposed date and two year lead-time, other than making the obvious point the sooner it is introduced, the sooner the proposed benefits can be realised. Irrespective of the suggested date for the Proposed Franchising Scheme to be introduced, a clear decision and procurement/mobilisation timelines should be set out as early as possible. Sufficient time to engage with bidders, to inform the procurement process and contract/commercial terms and for bidders to gear up bidding teams would be needed to maximise participation in any competitive tender processes.

The proposed mobilisation period of eight months would be dependent on the final depot and fleet requirements. For example, if (as proposed), a significant number of the depots will be held by incumbents rather than provided by the Authority, it could be necessary for new-to-area bidders to identify and develop new sites. This would take time and potentially extend the mobilisation period beyond the eight months for such operators, while advantaging incumbents who could offer shorter lead-times and potentially lower initial costs. This having been said, we would be keen to minimise the mobilisation period and have experience of mobilising new contracts and depots (subject to availability of suitable sites and fleet) within as little as six months.

A further consideration is fleet requirements, e.g. whether new or existing fleet will be required on Day 1 and whether the CPCA will facilitate transition of suitable vehicles from incumbents to successor operators as part of the procurement process (as was undertaken in other areas). Current lead times for new vehicles are estimated at nine-twelve months. Similarly any requirement for the Authority or operators to install electrical charging infrastructure for franchise commencement is likely to take significantly longer than the minimum eight month transition period suggested.

While the proposal for two procurement exercises or rounds seems logical (Cambridge then Peterborough), having a greater number of procurement rounds e.g. three rounds (as was the case in Manchester for example), brings certain advantages:

- Opportunity for Bidders to incorporate feedback from previous rounds to drive continuous improvement and innovation in subsequent round proposals, as was demonstrated in the Greater Manchester franchising procurement
- Having more procurement rounds (or differing contract lengths) helps minimise the risk of a 'cliff edge' whereby an operator of one of the zones (or a significant number of zones within that Round), could lose its entire local business within one tender, if unsuccessful at renewal. We have noted this in certain other markets, where large collections of routes are tendered together

Operators can be put in a precarious position. This can affect both the attractiveness of the market and equally introduces potential instability where the long-term future of an operator (who's operations are focused on just one or a small number of contracts) in the local market is at risk through the tendering of entire rounds. This can also cause higher pricing, where an operator is no longer able to guarantee or reliably assume synergies

- Impact on Mobilisation – a further consideration is that multiple operators winning contracts within a small geography would lead to increased demand for staff, particularly drivers and engineers which could negatively impact mobilisation. Similarly any requirement to procure fleet for multiple contracts, could extend lead-times with only finite manufacturing capacity available
- For new entrants to participate in smaller bids, options to enable operators to make those smaller contract bids contingent on larger contract wins should be considered to avoid any situation where an operator is left needing to recover full overheads through (or establish a presence in new area on the basis of) only small contract(s). This risk could also be mitigated by tendering larger contracts first before the smaller lots.

Noting the above, we would recommend that where possible tender submission requirements are aligned and standardised between Lots to reduce bidding and associated evaluation costs. Detailed feedback during and following each Lot tender process is also encouraged to facilitate continuous improvement of bids and engagement of unsuccessful bidders.

In recognition of a number of Authorities which are actively looking at franchising, considering the timescales both for procurement and mobilisation of any other UK-based franchising project would be recommended to ensure the most competitive process and smoothest transition. If multiple regions' procurements or mobilisations were planned at the same time, operators would need to prioritise opportunities and resource allocation, which could have a detrimental effect on the various regions."

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: "In view of experiences in other franchise markets, the longer the contracted term, the more attractive it is for new operators and the lower price which can be offered. We believe the 7-8 year term fair and sufficiently attractive to operators (including in terms of fleet depreciation periods), while balancing the need for flexibility for the Authority. The additional 1-2 year extension options are also welcomed.

Contract extension provisions are standard in many regulated markets, and should be linked to clear, objective performance KPIs (within the operator's control). A clear indication of extension intentions should be made well in advance of the conclusion of the initial term (6-12 months) to give both Parties the opportunity to plan.

Maximum age limits for fleet should also be set in consideration of the contract durations (e.g. to avoid the need to procure new fleet in the latter stages of a contract)."

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: "Please also refer to our response to L10.

As outlined in responses to questions L6 and L8, we note in e.g. 7.162 of the Consultation Document and 5.32 of the Full Assessment, the CPCA proposes to ensure opportunities remain for existing operators in the area as well as encouraging operators from outside. We would welcome further clarity on how this is to be achieved within a competitive procurement process – e.g. would certain packages be reserved for incumbents? The level of opportunity to new-to-area operators and removal of barriers to entry such as depot provision, availability to access local information including TUPE, service performance levels etc, are key considerations likely to directly impact the level of participation in bidding and the benefits derived from competition.

We welcome the proposal to group services into geographically based packages, to support efficient operations and interworking of resource. We would strongly recommend the larger franchise packages are each based around an Authority-provided depot, negating the potential need for multiple depots to service a single package and also ensuring a consistent approach to bidding by both incumbent and new-to-area operators.

Suitable procurement mechanisms should be considered to assist operators in submitting robust and sustainable proposals, which can leverage potential synergies between awarded packages and ensure recovery of any fixed costs required to support market entry. This could include tendering larger packages first before smaller packages (so the outcome of the larger bids is known before the smaller tenders commence). We would also recommend inclusion of contractual buy-back options for an operator investing in new vehicles for a contract, to ensure a residual value of the assets is maintained at contract end, which can help extend depreciation periods and ultimately reduce bid costs to the Authority.

We note the proposed package sizes ranging from 1 to c. 60 buses. It would be helpful for operators to be able to review the final number of packages by PVR to gauge the scale of opportunity, however even the larger package sizes of 60 vehicles look relatively small compared to other current franchises in the UK. A new-to-area operator may look for a minimum of 100 PVR to warrant entry to an area.

We would recommend consideration of a limit to the number of Packages (or associated PVR) which an individual Operator can be awarded (not just the smaller packages), in order to encourage competition and increase opportunities for individual bidders. However such a limit should be set at a reasonable level to support the investment and entry of both incumbent and new-to-area operators to the new franchising model. If there were no limit, there is a risk of one or two operators securing the majority of Lots, serving to reduce competition.

The recognition of the need to have sufficiently flexible contracts and change mechanisms to support changes to the contracts is welcomed. From experience in other contracted markets, this combined with a strong, open collaborative approach between operator and Authority is crucial to underpin long-term contract sustainability. This could incorporate changes to fleet mix (e.g. progressive electrification), operational and network changes as well as responses to major disruption."

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: "We believe it is sensible and reasonable to encourage and support SME operators through the packaging of a number of smaller lot sizes. This could also be extended to school services, if they were to form part of the overall franchising programme. The procurement process and requirements for the smaller packages should not be overly onerous in order to ensure suitable engagement from SMEs who may not have access to the same bidding resource as larger operators.

The option of larger operators subcontracting smaller operators is also welcomed and could provide additional benefit to local SMEs."

L14: Do you have any comments on the approach to bus depots under Franchising?

A14: "We welcome the CA's plans (in 7.174) to provide depot facilities for the three main lots (two in Cambridge and one in Peterborough). However confirmation of this would be appreciated noting potential inconsistencies with other sections of the Consultation Document – including 5.3 which states operators would continue to be responsible for depots with the Authority looking to provide two (not three) additional depots. We also note in 4.59 of the Full Assessment reference to four larger packages. This would indicate there could be an expectation that an operator may be awarded two or more larger packages to operate from the Authority-provided depots or to share with another operator.

If consideration is being given to two or more operators sharing a depot, we believe operators would have significant concerns. We feel shared facilities present an added risk and complexity, in terms of industrial relations, staff retention, confidentiality, consistency of safety processes between operators, harmonious workplaces, cost apportionment and smooth operations. We believe single operator sites also make for a cleaner form of operation, whereby any service issues can be clearly attributed to the one operator.

Authority provision of depots for the large packages is important to ensure consistent bidding and remove barriers to entry for new-to-area operators. This is the model successfully deployed in Manchester (one depot per contract) and supports the progressive roll-out of Authority-supplied electric bus charging infrastructure.

We would however like to clarify that all bidders (incumbent and non-incumbent) will be required to bid for the large packages based on those Authority-provided depots. We note the reference in 7.175 to the new depots being in addition to those operated by incumbents.

It should also be clarified whether a successful large package operator is permitted to use the Authority- or other provided depot for use in the delivery of smaller Lots and how this could a) remove a barrier to entry for those smaller Lots and b) represent a cost advantage to the large package operators.

To summarise, realistically, new-to-area operators are only likely to be able to compete and be attracted to participate in competitive procurement if depots for the larger Lots are provided by the Authority."

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: "When considering the initial transition to franchising (depending on the fleet specification and provision), a requirement for operators to procure their own fleets has potential to significantly advantage incumbent(s) who already operate fleets in the area. This could act as a barrier to entry for new entrants. It is therefore suggested consideration is given to a requirement for 1) the Authority or operators to supply new (e.g. electric) buses from day 1 (which could also serve to accelerate electrification) or 2) for the Authority to make available initial used vehicles at a standard cost which would then be subject to a replacement programme (with the initial used fleet potentially coming from the incumbent if agreement could be reached). Alternatively a hybrid of both 1 and 2

would also remove any such barrier. As a further option having a flexible approach to initial fleet specification, to allow operators to draw fleet from outside of the area could be considered.

Additional benefits for having fleet procured by the Authority include greater consistency and economies of scale (particularly if SMEs are likely to be procuring smaller quantities).

Whether Authority or operator procured fleet, we would strongly recommend working with operators and manufacturers to develop a specification for vehicles which:

- drives consistency and ensures fleet is fit for purpose
- does not incur unnecessary costs
- does not impose barriers to cascading to other networks
- captures the latest best practice in design (including for accessibility, which Go-Ahead has extensive experience)

Go-Ahead has significant experience in procuring electric vehicles to a high specification, operating one of the largest zero emission fleets in the UK. We would be happy to offer our expertise to support the design and procurement of vehicles, reflecting the latest industry best practice.

If operators are to provide fleet, provision of a residual value mechanism or guaranteed buy-back option as part of contracts would be welcomed, helping to strengthen the investment case for operators, extend depreciation periods while also supporting future procurement exercises with elements of fleet being available for future contracts in the area.

Onboard equipment – 7.184 of the Consultation Document states operators will retain responsibility for any onboard equipment. Clear specifications for such equipment e.g. ETMs, radios, AVL etc should be outlined by the CPCA (in dialogue with operators) to ensure consistency and inter-operability across the entire franchise fleet."

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: "We fully understand TUPE is likely to occur and has formed part of most transitions to franchising to date, where contracts have changed hands. Similarly TUPE is routine in London where tendered routes can be won by different operators. Through our mobilisation and transition of services from multiple incumbents to new large franchises in Greater Manchester, alongside our London operations, we have developed significant experience in managing employee and other stakeholder engagement to deliver seamless transitions. We would be happy to share this as part of any upcoming procurement.

We recognise in an initial transition from commercial to franchise operations, full employee data may not be available and there may be no obligation on incumbents to provide accurate data. This could introduce incumbent advantage or inaccurate/unrealistic pricing. As a result, we would request the Authority (working with incumbents) makes available a set of TUPE/ELI details, pension details and costs, other T&Cs and assumptions for Bidders to base their costs on for each contract, to ensure all Bidders base their pricing on a consistent basis. We would recommend this is supported by a reconciliation mechanism underwritten by the Authority to avoid undue risk and avoid any incumbent advantage. This is in line with equivalent processes elsewhere in the UK currently.

It is also worth noting existing operators may seek to keep staff rather than TUPE if they have sufficient other operations to absorb them. This may not necessarily present a major issue to a new operator who could benefit from bringing in and training new employees from scratch (if timescales and the job market allows) but would require monitoring.

Certain staff may not be eligible to TUPE, if they are not assigned to a particular package or Round, for example support staff, engineers and controllers, which should also be considered.

The launch of franchising and the significant changes to the market and workforce this will bring will require substantial engagement with the Trade Unions and workforce. This should be in the form of a coordinated and joint effort by the Combined Authority, incumbents and new bus operators, with the aim to reassure employees. We would also recommend that the Authority puts protections in place for employees for example in terms of driver hours to ensure the competitive process does not erode working conditions."

L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: "The approach proposed appears reasonable. We would recommend that ongoing engagement includes key stakeholder groups including accessibility and passenger groups.

We welcome the emphasis placed on collaborative and partnership approach between the CPCA, operators and stakeholders, including relating to network design and development (7.186 of the Consultation Document). Ensuring there are suitable forums and reviews, both pre- and post- the procurement process with existing and potential new operators (including the proposed annual review process), should successfully ensure network proposals are workable and efficient as well as benefitting from extensive experience of operators from this and other areas of the UK.

In this regard a close collaborative partnership with any operators engaged in the franchising process would be key to its success (both incumbents and potential new operators). Franchising can have the added benefit of potentially drawing on the experience of a wider pool of operators, not currently operating in the area.

For example operators have substantial insight, data and experience in designing efficient networks considering any operational constraints as well as drivers of operational efficiencies which could be leveraged. This could include consideration of interworking of services or use of the latest tools/data to adjust running times to maximise performance. Operators also have valuable experience in terms of marketing and promotion of fares and new ticket types as well as the implementation of zero emission buses (further information available on request)."

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

A18: "If franchising were to be adopted, over a deeper form of EP, we would strongly support the adoption of a cost-based contract model with incentives available to the operator for growing patronage and exceeding performance targets. In view of the CPCA retaining control of ticketing, fares etc, we believe fare risk should sit with the Authority as in other franchise markets both in the UK and internationally. A deviation from this would reduce the attractiveness of the opportunity to operators as part of a competitive process. In view of potential significant operator investment (e.g. in fleet), bearing revenue risk and any risk that payments might not recover the operator's costs could have a potentially serious impact on the business case for such investment.

We note the reference to a potential migration from cost-based to subsidy-based contracts where operators may be asked to bear an element of revenue risk, as franchising becomes established (7.190 of the Consultation Document). We would wish to see further details on this to undertake a full assessment but our initial view is such a subsidy-based model with operators bearing certain levels of revenue risk would be better suited to an Enhanced Partnership approach (where operators have influence over more of the demand levers). The same paragraph highlights the potential for only limited data on services within the first round of procurement for franchise contracts. In view of this, provision of clear guidelines, schedule requirements and (where possible) running times would be beneficial to address any imbalance of knowledge and support the evaluation of bids.

We note from Table 7-17 against Appropriate Risk Allocation, reference to provision of vehicles, equipment and depots remaining with operators under franchising. In line with responses above, and detail provided elsewhere in the Consultation Document, we would welcome clarity and confirmation that the Authority would be responsible for providing suitable depots (particularly for the larger contracts). Onus on operators to provide such depots could act as a significant barrier to new entrants, an uneven competitive environment as well as extended mobilisation timelines and risks."

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A19: "Please also refer to our responses to the questions above.

As outlined under our response to L2, the Cambridgeshire and Peterborough region has particular characteristics and challenges which could be best addressed by the single guiding mind and unifying oversight offered by franchising. Considering those challenges, we support the assertion that franchising has potential to deliver on the stated commercial objectives and those of the Bus Strategy. Franchising can deliver the public sector control and influence desired, while also capturing the best practice of private operators through the various forums and the collaborative partnerships proposed. However, it should be noted, any potential threat to sufficient funding in the long-term would significantly affect the ratings given in Table 7-17 and the ability to meet the commercial objectives.

It has the potential to offer the best value for local communities, considering the afore mentioned market characteristics. However, to fully exploit this and deliver the competition between operators, the procurement structure must address barriers to entry for new entrants (e.g. imbalance of knowledge, depot and fleet provision etc) while providing necessary safeguards for small operators. As outlined in L18 above, a fair and proportionate risk allocation, where revenue risk is borne by the body who sets fare levels and oversees network design (in this case the Authority), is key to ensuring a sustainable and competitive market.

As emphasised above, key to success of franchising (or indeed EPs) are close collaborative partnerships between operators and the Authority as well as contracts with sufficient flexibility to respond to changing demands in a highly dynamic region.

We would add that implementing a franchising scheme could be further derisked through accessing experience and learnings from UK regions which are transitioning (or have already) from commercial, deregulated to franchised markets (e.g. in Manchester and in due course Liverpool). There are now precedents to consider and various approaches from across the UK available to evaluate and inform local strategy.

Please also refer to our response to L8 for further detail on the inter-dependence between the various commercial objectives."

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: "Noting the trend for rural network reductions in the region (see L1 and L2 responses), it is unclear how, without additional funding, an EP in the Cambridgeshire and Peterborough region will address such challenges. Considering the significant number of operators in the region (each potentially with their own local markets and demands), and the need to negotiate a majority approval for changes, public sector influence is likely to be subject to greater challenge. However the level of influence and the wider ratings within Table 7-21 will be strongly dependent on the level of collaboration and engagement by operators as well as their overall alignment with the CPCA's objectives.

We agree with the assessment that competition between operators is unlikely to be enhanced, in the absence of the competitive tendering process of franchising. The primary competition will remain with the car. The dispersed nature of the market, with large rural areas of limited population density and localised growth, means any benefits of competition are likely to be restricted to core urban areas.

EPs can work successfully in certain environments and deliver best value, e.g. where there is a proactive incumbent and small number of operators, within a defined local area. However noting the challenges and unique characteristics of the region, including several operators (large and small) and a highly diverse demographic profile between urban and large rural areas, franchising is likely to deliver greater consistency and control, subject to enough funding being available long-term. Noting the highly dispersed population across large rural areas contrasting with the large urban areas, to achieve maximum benefit of franchising, it is likely some form of central Government funding would be required. In addition the provision of dedicated busway infrastructure and the level of nationally significant development projects including the new Cancer Hospital could benefit from a unifying and guiding mind to ensure the network develops in lockstep.

We note the conclusion that an EP in the CPCA region would not provide the level of control that franchising offers and still involves many of the challenges that currently exists. We feel, on balance, this is likely to be a fair assessment based on the specific market characteristics and associated challenges when compared to the level of ambition from the Bus Strategy, subject to there being sufficient funding available on a sustained basis."

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole network and there would be more reliance on negotiation with bus operators. Do you have any comments on this?

A21: "As outlined under 7.228, there is recognition franchising would deliver significant control but would require the CPCA to take a greater share of the risk and require significant financial commitment. It is important to note, that there are now precedents within the UK market for adoption of franchising, with both Authorities and operators experienced in delivering services under the new framework. As the launch operator for the first two large franchises outside London, we would be happy to share our experiences and lessons learned to help inform a successful process and transition. Such experience helps reduce the initial risks and gives opportunity to further refine the model based on experience from other Authorities, but clearly to realise the benefits of franchising, sufficient funding must be available on an ongoing basis.

Under an EP, by definition, there would be a greater reliance on negotiation with operators. Such reliance is less of a concern where there are fewer operators (large or small) or where there is a strong track record of collaboration to meet common and CPCA objectives. The level and pace of change within the region, particularly around Cambridge, would require a highly agile and flexible approach to network planning and operations. This can present a challenge when requiring multiple operators to agree on any changes – a challenge which can be largely mitigated by the control afforded by the proposed franchising model (7.230) or a highly engaged and aligned community of operators under an EP."

L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: Please see comments in our responses to L19 – L21 above. In summary, a carefully designed franchising scheme in this particular market, has the potential to support the CPCA's commercial objectives. However, it would require strong engagement with local and national operators to ensure a competitive process to drive best practice and innovation. It would also require sustained commitments to sufficient funding, in order to realise the proposed benefits across the entire region and population. As mentioned above, a commitment to ongoing expansion of bus priority measures (and policies to deter private car usage such as car park charging etc) and a region-wide approach (to the greatest extent possible) to ensure rural communities also see the benefits will be critical to the success of franchising.

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: "While we have not scrutinised the figures in detail, we have the following high-level observations:

We note that the forecasted costs include provision of two depots. In line with comments above, we would recommend consideration of one depot per large franchise contract, to help ensure a competitive process and considering the concerns of competing operators sharing the same depot (see response to L14).

Noting the ambition to transition to low and zero emission fleet, it is unclear if any electrification infrastructure costs for depots are included. We note the depot cost provisions in Table 5-6 of the Full Assessment are £11.2m for Cambridge and £10m for Peterborough (which are then subject to a 46% optimism bias) but are unclear if this is sufficient to cover such investment. 7.236 does state funding for zero emission vehicles, under the ZEBRA scheme, was excluded from this Assessment.

As outlined above, if the region is to make a successful transition to a franchised market, it will need sufficient funding on an ongoing basis. Without access to third party funding to support this, the case could become more marginal.

Please also refer to our response under L24."

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: "We have limited comments on the funding sources at this time, other than the need to ensure sufficient funding remains available in place long-term to support the delivery of the benefits of the Proposed Franchise Scheme.

Reference to exploring other avenues of funding including workplace parking levies, which could also serve to stimulate demand (and revenue) are particularly welcomed in the Full Assessment, although it is disappointing to note these have been discounted. We would also question why parking charges are not considered as a separate option to raise funds in Table 5-3 of the Full Assessment but are referenced in Table 5-4 as worthy of further consideration. Such options have the additional benefit of encouraging bus usage (including P&R) and facilitating modal shift alongside wider benefits of reduced congestion and air pollution.

A strategic view on funding for infrastructure which will deliver service improvements, drive demand and efficiencies such as bus priority is also important to consider. We note £10m is allocated to both Franchising and EP options for bus priority projects, although it is not stated over what period or whether it is supplemented by projects funded by other streams. The assumption noting Table 5-5 of the Full Assessment is the £10m is spent between 2025 and 2027, with no further funding for projects allocated from 2028 onwards. Noting the substantial level of development and forecast increase in road traffic, it is arguable that further funding should be made available in subsequent years, whether part funded by Section 106 monies (which we understand are currently excluded from the funding strategy – 5.17 of the Full Assessment) or investment by the Authority, to drive further modal shift. This would suggest that additional external funding sources mentioned would be critical to long-term franchising affordability as increases in farebox, precepts etc are unlikely to be able to deliver the required improvements beyond 2027."

L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: "It is clear from the Consultation documentation that Proposed Franchising Scheme carries more financial risk to the Authority, but the Financial Case suggests this is necessary in order to realise the wider benefits of franchising outlined and the Authority's Bus Strategy in this particular area. It also provides the Authority with the levers to stimulate demand. Assuming greater financial risk is also necessary in order to deliver the benefits of increased competition for franchise contracts, by levelling the playing field (a stated Commercial Objective) and removing key risks and barriers to entry for operators as part of the procurement exercise.

There is greater potential benefit arising from service enhancements which the Authority could deliver, including fare capping (as is currently reportedly being explored), marketing/branding and, where possible, enhanced schedules / frequencies (to an arguably greater extent than the EP model proposed). These coupled with ongoing investment in bus priority measures (which are key to delivering service reliability and facilitating modal shift) – and can be at least part-funded by Section 106 monies – should further stimulate passenger demand and ultimately help mitigate some of the financial risk. However as mentioned above, any uncertainty over long-term funding (for whatever reason) would clearly undermine the benefits and relative advantages of franchising and validity of the overall assessment.

The patronage forecasts (Full Assessment 3.102) show initial growth linked to population growth and impact of bus network investments but tail off due to increasing fares. It is unclear why further growth cannot be considered for both franchising and EP options based on e.g. additional bus priority measure investments. For example, there are examples of sustained increased patronage in both EP and franchising areas where close collaboration between local authorities and operators has provided investment in services (including fleet, bus priority etc), bucking the national trend. It is hoped with the ambition of the Authority similar outcomes might be

achieved for Cambridgeshire and Peterborough region, surpassing the presented Case, whether franchising or an EP is adopted.

Other measures such as amendments to parking charges and wider pro-public transport policies could further incentivise modal shift and a larger growth in passenger numbers. While we accept these are difficult to quantify at this time, they do represent potential benefits to further derisk the Authority's cost assumptions for either option."

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: "We agree with the stated required competencies required for franchising and an EP, noting that expertise may need to be extended to IT systems and communications (including system specification, potential procurement and maintenance) to support consistent and reliable services. This could include AVL, performance management, customer service systems and potentially ETMs for example. In addition some EV expertise could also prove helpful to support the transition to zero emission fleets and associated effects on network design.

It should be noted however, that the collaborative, partnership approach proposed by the CPCA in the consultation should help mitigate some of the risks associated with taking on additional responsibilities. For example Go-Ahead has a strong track record of working closely with Transport Authorities to share insights and support implementation of e.g. electrification of fleet and depots. In addition Go-Ahead and other operators have extensive experience of marketing, customer services and the other elements outlined in tables 7-25 and 7-26. A further suggestion to de-risk this area could be to consider what additional management responsibilities operators could provide without diluting the oversight and influence the Authority should have over the network. This would be possible under franchising and the norm under a meaningful EP.

We would also note that some of the functions required for both franchising and EP are highly specialised and can take time to recruit or train. Equally, in many cases, operators will need to retain or recruit people with similar skills to manage their respective responsibilities under each scheme (e.g. scheduling). It is worth considering how the parties can retain and recruit the required skills without disadvantaging the other parties which otherwise has the potential to increase challenges of delivering the required services. In cases where discrete responsibilities will transfer from operator to the Authority under franchising, e.g. customer services, there may be a case for TUPE to be applied, ensuring access to experienced employees and safeguarding job security.

While we cannot comment specifically on the proposed resource numbers in Table 7-27 which will depend on the ultimate network complexity and number of contracts/operators to manage, we would note the significant resources which have been identified as required among other Authorities engaging in franchising and particularly in the run-up to transition and in the bedding in period.

To mitigate the additional resource requirements and associated cost and risks, consideration could be given to sharing certain resources with either neighbouring authorities who may embark in franchising or also with operators, subject to there being no conflict of interest."

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: "At this stage our only comments are:

For Franchising, we would welcome further clarity as to how bus operators would be involved in management and governance of services, inputting into any operational decision-making where their participation and insights are relevant and would add value. Would the input be limited to the Bus Operator's Forum as suggested by Figure 7-9 unless operator representation is planned within the Bus Management Group, for example?

We would welcome the opportunity to comment on the specific planned performance KPIs and target levels, together with the proposed incentive mechanism, once further details and precise contract terms are available."

L28: The Combined Authority’s draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A28: "We feel there is additional opportunity for new entrants to the market to improve inclusive recruitment practices and encourage under-represented groups to apply. For example Go-Ahead has had recent success attracting more women through its Go-Ahead Women and apprenticeship programmes.

Running a competitive procurement under the proposed franchising has the potential to deliver further benefits and positive opportunities by including social value parameters as an element of the scoring. In other markets this has included recognising measures such as encouraging recruitment of people with disabilities and people who have been long-term unemployed, for example. This would help deliver even more benefits to the local communities than ‘simply’ an enhanced bus network.

Similarly there are added benefits to harness the expertise from different commercial operators in delivering meaningful innovation and best practice to enhance accessibility and inclusivity of services, through their ongoing engagement with charities, innovative training programmes and continuous improvements in the specifications of bus design."

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

A29: Tend to support. Considering the nature and specific characteristics of the CPCA area (as outlined under our responses to L1 and L2), we support the proposal for franchising in Cambridgeshire and Peterborough and believe it is the optimal route to achieve the objectives of the region’s Bus Strategy. However, this is subject to the points raised throughout our response, e.g. availability of sufficient funding on an ongoing basis, delivery of ambitious plans for real improvements to bus services across as much of the region as possible and ensuring bus priority investment continues beyond 2027. We would however suggest consideration is made to certain details of the proposed scheme to maximise the advantages derived from a competitive procurement and market (including those outlined under L30 below). Furthermore, a number of the risks presented can be at least partially mitigated, particularly using experience of other Authorities and Operators who have already undertaken the transition to franchising.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: "Our main observations and recommendations are highlighted in the preceding responses. However to summarise some of the key points:

- We note the stated objective to increase competition between operators and that care is being taken to ensure meaningful competition (e.g. 5.39 of the Full Assessment). As mentioned above, care needs to be taken to ensure a level playing field with any imbalances between incumbents and new-to-area operators mitigated. This should include depot provision for all major franchise contracts and consideration of initial fleet arrangements/requirements (see L15). Stating at the outset an intention to ensure opportunities remain for existing operators in the area (as well as encouraging operators from outside) could cause concern at potential pre-empting of outcomes and reducing the scale of opportunity for any new-to-area operators (see L6). If this were the case, considering the level of bid costs and investment which would be required and risks associated with market entry, we would struggle to be able to justify participation in a tender.
- As the Authority would control key demand levers including ticket pricing, revenue risk should remain with the Authority.
- Review depot provision for the large contracts, with a recommendation to provide separate depots per contract to minimise barriers to entry for operators and to avoid the disadvantages of competing operators sharing sites.
- Maximising the Lot Sizes of the larger Lots, considering 60 vehicles is on the smaller side of the larger contract bandings in other areas (please see response to L12). We would also recommend consideration of a limit to the number of large Lots (or associated PVR) which an individual Operator could be awarded (subject to having a minimum viable PVR to facilitate market entry), in order to encourage competition and increase

opportunities for individual bidders. If there were no limit, there is a risk of one or two operators securing the majority of Lots, serving to reduce competition, innovation and network resilience.

- Consider the timing of other Authorities' procurement processes and franchising start dates which could impact the number of participants, availability of new vehicles (with only finite production capacity) and mobilisation resources.
- Ensuring that the procurements are as simple and straightforward as possible, or aligned to other authorities, would be welcomed, considering the significant bid costs incurred by operators participating in tenders. Simplification would also benefit the Authority including in terms of reduced procurement costs, shorter timelines and also attracting SME operators. We would be happy to share our experience and insights from operating in UK and international franchise markets, which each have different approaches to procurement and service specification.
- Procurement weightings should be balanced in favour of quality over cost, to reflect the fact franchising is an investment in a material improvement in the quality of services for the region (for example in other procurements the weighting has been 60% quality, 40% price)
- Consideration should be given to linking franchising to measures designed to incentivise modal shift while also representing an additional revenue stream to support bus enhancements (e.g. fare capping and additional bus priority schemes), including parking charges and work-place parking levies. It is noted some of these had been under consideration but their wider potential benefits could be significant."

L31: Do you have any further comments?

A31: "Involvement of Operators in the event of franchising: We would note that while the CPCA would oversee and be responsible for deciding and specifying the requirements of any future franchising scheme, we welcome the CPCA's recognition of the role which remains for operators to help inform proposals, using their extensive experience from local and other markets. In this regard a close collaborative partnership with any operators engaged in the franchising process would be key to its success (both incumbents and potential new operators). In this regard, franchising has the added benefit of potentially drawing on the experience of a wider pool of operators, not currently operating in the area.

For example operators have substantial insight, data and experience in designing efficient networks considering any operational constraints as well as drivers of operational efficiencies which could be leveraged. This could include consideration of interworking of services or use of the latest tools/data to adjust running times to maximise performance. Operators also have valuable experience in terms of marketing and promotion of fares and new ticket types as well as the implementation of zero emission buses (further information available on request).

We very much welcome the emphasis on collaboration and incentivising passenger growth against a backdrop of exciting developments and investment in the region, as presented throughout the Consultation documentation. We would be happy to meet with the Combined Authority and share our learnings from prior franchising processes – both in the UK and internationally – with you. We can be available to discuss further."

24. Transdev

Please find answers to the long questionnaire below.

What is the name of your business or organisation?

Transdev

What is your position/title?

Bid and Performance Director

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: At Transdev we believe that the assessment made in the consultation document is accurate and substantiated by the findings of the BSIP.

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: We agree that the upcoming decisions on franchising will be crucial in improving the current performance, by:

- Defining performance targets for reliability and punctuality
- Harmonizing fares across the network
- Ensuring fair access to employment and other public services for poorer rural areas
- Re-designing a network that focuses on patronage growth

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: No, those are the right options.

L4: Do you have any comments on the Combined Authority's overall objectives, as set out in the Strategic Case?

A4: It may be interesting to add the notion of "safe" in the vision, that would underscore the importance of continuously improving the safety on the road but also, where needed, the security of passengers (for instance what is the security perception of women on the network?).

Similarly, highlighting the importance of customer service would be valuable as a key factor in driving higher ridership. This is touched upon in the "high quality passenger waiting facilities" that could be extended to high level of presentation (including the inner and outer side of busses, driver uniforms, passenger welcoming, and other touch points in the passenger journey)."

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: No comments

L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

A6: No comments

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: No comments

L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: Transdev is overall aligned with the objectives set out in paragraph 7.146 with some comments on risk allocation. Indeed, while Transdev also believes in a fair allocation of risks between the authority and operators, it is important for this allocation not to create unfair representations at tender stage, for instance:

1. Revenue Risk: While this is not the preferred option for Transdev, we are used to operate contract at revenue risks, notably in the Netherland. We would be happy to share further lessons learned from this environment. Importantly, for operators to take on this risk is:

1.1 A level of control over the service design: while the contract should make room for operators to provide their version of the network that, based on robust studies, would allow them to achieve the ridership growth target, we believe that at tender phase, it is best for the Authority to level the playing field by asking operators to bid on a fixed timetable that would enable offer comparison.

1.2 A level of protection on externalities: for instance, by providing an incentive per passenger above a defined target allow each operator to choose the level of risk exposure they are comfortable with. This limits the risk/opportunity on both sides i.e. the operators benefiting from investments made by the authority or being penalized by an important traffic generator closing/ road work impacting ridership/ pandemics/ etc. Indeed, Transdev believes the risk taken by the operators should be reflective of their scope of accountability to avoid opportunistic behaviour at bid and thereafter. Another good practice to avoid these is to ensure that the risk is capped.

We understand this is a shared vision as described thereafter by CPCA in the document.

2. Asset Provision: While this is not the preferred option for Transdev, we are used to providing assets. The contract's duration should be adequate to reflect such investment. Our main concern is around the level of competition CPCA is expecting. Indeed, this model could heavily favour existing operators, that already have the assets and infrastructure. It puts a relative unfairness on new entrants that will not have the privilege of having a depot well positioned or fleet in the area. With 80% of services under a monopoly, measures to ensure levelling the playing field will be important to foster competition. Finally, Transdev believes it would be mutually beneficial to protect the residual value of the assets purchased. While lowering risks for operators, it would also encourage the fleet to remain with the geographic area of CPCA at changeover of operators, and therefore limit the costs of transitions.

3. Operating costs – inflation: providing a clear inflation mechanism over the contract duration is key to mitigate one of the main risks over a 5-7 years' contract. TfGM proposed one was interesting (Fuel, CPI, AWE, Electricity, etc.). It is important to define clearly where these values will come from and what the reference value is (e.g. Office for National Statistics). This definition reduces any inflation impact during the Tender process (which can last almost a year), reduces risk taken by operator and potential discrepancies between operator's offers. Some PTAs go very far in the indexation control (e.g. Indexation defined per bus type, per bus size, per bus energy). Monthly indexation is usually better as it further reduces risks, as seen in TfGM tender for fuel. Indeed, it is not in the favour of the Authority to choose a bid based on the inflation profile chosen by the competition, as this will not reflect their ability to deliver a qualitative service, nor will it protect the Authority from the negative effects of inflations during the contract (usually reflected in a degradation of the service quality and aggressive negotiations from the operators).

L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

A9: No comments

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: Overall Transdev welcomes a challenging but achievable timescale that will fast track the benefit realisation for the public. We believe the transition period may be shorter than needed to ensure asset provision. Here are some lessons we have learnt in the recent past:

1. If the operator is in charge of the procurement of the buses it is ideal to get at least 12 months for diesels, potentially 18 months for electric (and support for the charging system as it can be complex depending on the depot ownership). A new depot might require 18 months to get all approval.
2. To organize ideally a transition during school holiday, ideally on a Friday night (Saturday is usually with a lower PVR requirements and gives a second day with lower impact in the transition). If several operators must start at the same time, it is ideal to organize the transition step by step (e.g.: every week, one new contract). TfGM implemented all new contracts at the same time, which reduces required reactivity if there is an issue. Ticketing and GPS systems should be tested during the pre-operation period if a change is required. Any ticket price increase or major network changes should be considered ideally several months before the transition or a year later (if any) to ensure a seamless day 1 operation."

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: No comments, we believe this is the right timeframe, with preference for 7 years base contract with up to 3 years of potential extension.

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: Introducing sequentially larger and then smaller lots would enable bidders to provide better value for money to the authority. This could also be introduced through a BAFO mechanism that would apply on a pre-defined (proposed by operators, validated by the authority) set of lots. This would enable bidders to propose synergies that would decrease overall costs (e.g. overheads, fleet and depot utilisation).

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: While we agree on the principles proposed, we believe that by not providing buses and depots for smaller lot will make it difficult for small and medium sized bus operators to access these opportunities. Indeed, they may not have the cash necessary to mobilise new contracts.

L14: Do you have any comments on the approach to bus depots under Franchising?

A14: The approach is welcomed, and Transdev believes it suitable to foster the right level of competition. It is important that CPCA ensures these depots are mandatory to use for the delivery of CPCA services. This will level the playing field with existing monopoly operators that may have better positions depot and could then unfairly protect their market share.

It will also be important to define the accountability for the maintenance of these depots and their insurance in the case of multiple operators' usage. We recommend in this case that the authority provides for the insurance, while the main operator provides for the installation's maintenance. Major overhauls for depots should also be clearly defined in the contract to provide visibility to their operators and mitigate the risk of unknown/ rising cost profile in depot infrastructure maintenance.

Due Diligence, Defect and Latent Defect Liability (on authority owned depot): Allowing for a strong mechanism of due diligence by a third party at the transition phase, will ensure the incumbent is held accountable to hand over authority's owned asset in a good state of repair, as they would bear the cost of any delayed/ poor maintenance. Additionally, we believe it is important to set clear accountabilities and mechanism to hold manufacturers accountable for defects and latent defects; and give the operator power to claim as needed or support the authority in said claim. Latent defects should be an excusing event for performance.

Finally, for smaller depots, this could be seen as a barrier to entry for SMEs and new entrants in circumstances where incumbent operators retain their existing depots. As we have seen elsewhere in the UK, this may lead to new entrants seeking to acquire the business and assets of smaller independent operators in order to gain a

strategic foothold in the Peterborough and Cambridge areas. There will also be concerns that a lead-in or mobilisation period of 8-9 months may not be sufficient in order to secure permits for new depots.

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: As mentioned earlier, Transdev favours contracts where vehicles are purchased by the authority to limit investments from private operators, and better ensure the consistency of fleet and on-bus equipment across all operators. Bus-equipment standardization also eases data integration at network level for the Authority to have better data driven insights, and comparable data sets (no discrepancy in On Time Performance calculation for instance, or on passenger counting technology required to ensure revenue risk can be properly measured). Finally, this could be seen as a barrier to entry for SMEs and new entrants that do not have a readily available fleet of vehicles to hand where incumbent operators and other large operators have access to such vehicles. This was a particularly contentious issue on the Greater Manchester bus franchising scheme, where TfGM ultimately had to source a fleet of vehicles in order to retain a "level playing field". There will also be concerns that a lead-in or mobilisation period of 8-9 months may not be sufficient in order to source vehicles (particularly new vehicles or zero-emission vehicles).

Fleet used for CPCA services should be dedicated to these services for a period of time after transition to ensure operators priorities the service changes for CPCA vs side businesses.

We believe that an average fleet age across the fleet is best, avoiding routes specificities to maximize interoperability and ultimately value for money.

It will be interesting to discuss the revenues generated by advertising on buses. We believe that to maximise these revenues, the Authority could procure this on behalf of the network.

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: This is a usual business practice around the world, which is welcomed to ensure the protection of employment and conditions of work.

L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: Transdev likes the collaborative approach to reviewing the performance of franchising. It remains cautious as to the amount of change such review could generate. Indeed, major changes after 24 months could be seen as a major risk, especially as operators will carry the risk of investment on buses, unless operators are allowed to also update their pricing. And providing an opportunity to update pricing may lead to under bidding/ buying the market, with the knowledge that renegotiation will be possible in 24 months.

With this in mind, it will be important to legally frame this review, its remit and applicability to ensure it drives the best outcome for the community.

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

A18: Overall Transdev agrees with most elements provided in table 7-15.

Table 7-15 could include, in addition to the elements described:

- Responsibility on advertising (preferably managed by CPCA to maximise revenues).
- Responsibility on customer service (unifying customer charter, bus presentation, uniforms, complaints management, lost and founds, etc.). Preferably specified by the CPCA, and relying on operators to apply the specifications.

Table 7-15 raises some concerns on the following points:

1. Without knowing in detail the scope (geographic and in %) of subsidised versus cost-based routes for the future franchise, Transdev would caution on Perverse effect/ risks of a cost-based service poaching ridership from a subsidised route, and the difficulty of modelling such effect of ridership transfer on a new network where multiple operators may propose variation to existing services at bid phase that won't be known to other bidders. Pervert effect include intentionally degrading service offer on cost-based service to push customers on subsidised route. Transdev would not recommend the co-existence of such models, unless clearly segregated by geography (e.g. subsidised rural services versus cost based urban services).

2. The operators should remain mostly in control of the marketing for subsidised services, including potentially all the way to the livery of vehicles, to ensure they can maximise ridership.

3. Service Performance: Transdev believe it is important for the Authority to define and incentivise/ penalise on a set of up to 5 KPIs (e.g. Excess waiting time/ punctuality, service delivered, customer satisfaction, presentation) that would prevent opportunistic behaviour from operators at bid phase and thereafter. For instance, by underpricing a route, and delivering less than the expected service. We believe setting targets within the bid will enable bidders to ascertain the level of risk they will take and cost it appropriately. This could be further mitigated by a bedding in period of 6 months, and a change mechanism to review said targets at the end of the bedding in period to adjust fairly to the most recent performance trend, based on 12 months rolling averages to nullify the impact of seasonality. Finally, performance regime could be capped (monthly amount) with no incentives/ penalties within a band of 1-2%, penalties if below and incentives above that would be gradual.

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A19: No comments.

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: No comments.

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole network and there would be more reliance on negotiation with bus operators. Do you have any comments on this?

A21: No comments, we believe that under an EP, it will be much harder for the Authority to deliver a vision that works for the public, and integrate public transport.

L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: No comments, we agree with this assessment.

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: No comments.

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: No comments.

L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: While more financial risks are carried by the Authority, more opportunities arise as well. For instance, decrease of health costs by having less polluted cities, etc.

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: No comments, but happy to create introductions to other PTAs we work with around the world to review these numbers.

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: No comments.

L28: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A28: No comments.

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

A29: Strongly support. At Transdev we are firm supporters of franchising as it brings many benefits to the Authority and passengers, while capping some risks for the operators. It is a model widely adopted worldwide that have proven its success. It can take different shape to best suit the context and need of an Authority.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: At this stage, we believe reducing the exposure to revenue risk, providing depots and the fleet would improve the competition level.

L31: Do you have any further comments?

A31: We look forward to participating in further engagement to help create the best way forward for this ambitious and strategic project.

25. Transport Focus

Please find answers to the short questionnaire below.

What is the name of your business or organisation?

Transport Focus

What is your position/title?

S1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: Transport Focus has conducted extensive research into passengers’ and non-users’ needs and priorities for local bus services and their attitudes towards them. The consultation refers to research undertaken in 2019. This time frame aligns with Transport Focus’s own Bus Passenger Survey which included results for Cambridge and Peterborough.

The key headlines from this research are as follows

Cambridgeshire and Peterborough



Key results

Satisfaction (%)	2016 all satisfied	2017 all satisfied	2018 all satisfied	2019 all satisfied	2019 very satisfied	2019 fairly satisfied	2019 neither /nor	2019 all dissatisfied	2019 base size
Overall journey satisfaction									
All passengers	-	-	-	86	47	39	9	5	1231

Appendix – Statutory Stakeholder Consultation Responses

Satisfaction (%)	2016 all satisfied	2017 all satisfied	2018 all satisfied	2019 all satisfied	2019 very satisfied	2019 fairly satisfied	2019 neither /nor	2019 all dissatisfied	2019 base size
The bus stop									
Overall satisfaction with the bus stop	-	-	-	80	31	48	11	9	1177
Its distance from the journey start	-	-	-	84	50	33	10	6	1153
The convenience/accessibility of its location	-	-	-	91	51	40	5	4	1105
Its condition/standard of maintenance	-	-	-	72	30	43	16	12	1104
Its freedom from graffiti/vandalism	-	-	-	78	45	33	13	8	1077
Its freedom from litter	-	-	-	77	39	38	14	9	1092
The information provided at the stop	-	-	-	66	29	37	16	18	1099
Your personal safety whilst at the stop	-	-	-	79	46	34	16	5	1122
On the bus									
Route/destination information on the outside of the bus	-	-	-	86	54	32	9	4	1175
The cleanliness and condition of the outside of the bus	-	-	-	78	40	38	13	8	1162
The ease of getting onto the bus*	-	-	-	94	62	32	5	1	1218
The length of time it took to board	-	-	-	90	59	31	7	3	1198
The cleanliness and condition of the inside of the bus	-	-	-	81	41	40	11	8	1219
The information provided inside the bus	-	-	-	62	31	31	31	8	1082
The availability of seating or space to stand	-	-	-	89	54	35	6	5	1205
The comfort of the seats	-	-	-	76	38	38	15	9	1185
The amount of personal space you had around you	-	-	-	78	39	39	14	8	1186
Provision of grab rails to stand/move within the bus	-	-	-	84	46	38	11	5	1161
The temperature inside the bus	-	-	-	78	38	41	12	9	1189
Your personal security whilst on the bus	-	-	-	87	52	35	10	3	1181
Ease of getting off the bus*	-	-	-	90	54	35	7	3	1201
The bus driver									
How near to the kerb the driver stopped	-	-	-	93	66	27	6	1	1190
The driver's appearance	-	-	-	91	64	28	7	2	1153
The greeting/welcome you got from the driver	-	-	-	81	51	29	13	6	1195
The helpfulness and attitude of the driver	-	-	-	80	52	29	15	5	1173
The time the driver gave you to get to your seat	-	-	-	85	53	32	10	5	1172
Smoothness/freedom from jolting during the journey	-	-	-	79	45	35	13	8	1193
Safety of the driving (i.e. speed, driver concentrating)	-	-	-	90	57	33	7	3	1197

Factors affecting journey time

Occurrence (%)	2016	2017	2018	2019
Congestion/traffic jams	-	-	-	29
Road works	-	-	-	23
Bus driver driving too slowly	-	-	-	2

Anti-social behaviour

'Yes' (%)	2016	2017	2018	2019
Other passengers' behaviour giving cause to worry or feel uncomfortable	-	-	-	5

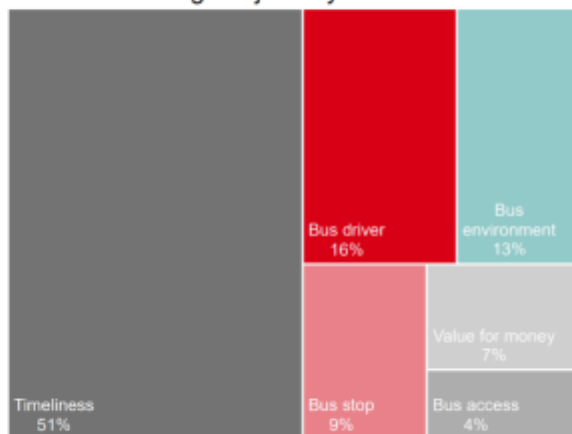
More recently, Transport Focus' 'Your Bus Journey' survey (2023) looked at what made a good journey for passengers. Cambridgeshire and Peterborough have not participated in this survey so far, so whilst not covered specifically, the findings offer an overview of different regions across England (excluding London). We would be pleased to discuss future participation with you.

What makes a satisfactory or a great journey for fare-payers in England (outside London)?

What makes a satisfactory journey?



What makes a great journey?



Key driver analysis looks at passengers' overall journey satisfaction response and their response to the 22 individual satisfaction/rating measures in the survey (including value for money for fare-payers), which have been grouped into 6 themes based upon a statistical analysis of the responses.

The left hand chart shows which themes most differentiate between those not satisfied and satisfied overall – making a journey 'satisfactory'.

The right hand chart shows which themes most differentiate between those fairly and very satisfied overall – making a 'great' journey.



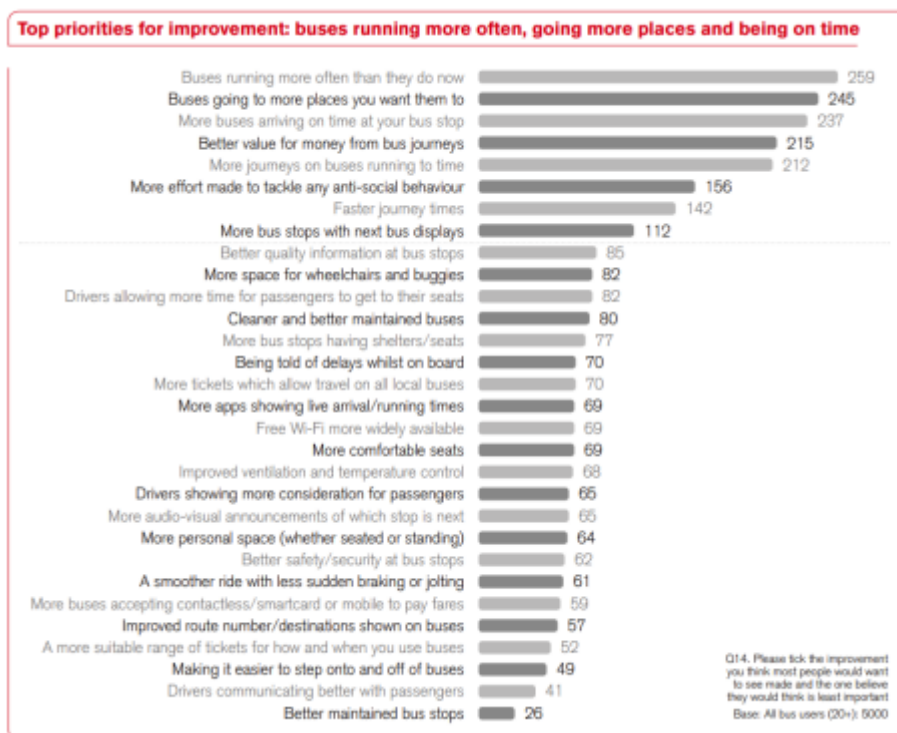
On the left are themes which make the difference between 'not satisfied' and 'satisfied' overall – making a journey 'satisfactory.' On the right are themes which make the difference between 'fairly' and 'very' satisfied overall – making a 'great' journey. This analysis demonstrates that the primary factor for a satisfactory journey experience is timeliness. This factor remains consistent when assessing factors on how to make a great journey. Factors such as bus driver, bus environment and bus stop also having a contributing factor.

We have had feedback from a Cambridgeshire and Peterborough resident who raised the following question: passengers using bus services that are already operating a reliable, high-quality service may be concerned that franchising will worsen the quality of an already excellent bus service rather than enhance it. CPCA will need to demonstrate how it would avoid that situation materialising.

S2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: From Transport Focus's perspective the key challenge is whether the proposal reflects the needs and priorities of both existing and potential passengers. The closer that the specifications and targets reflect people's needs, the better the chance that they will deliver the type of services that people want and value and will draw in new users to grow the market.

Transport Focus released some national research (published in 2020) on the priorities of bus services for bus users, information can be seen below (full report found on our website – here). This is at a national level but when Transport Focus conducted similar research at a regional level, we found little variation between passengers' main priorities for improvement from one area to the next. As a result, we believe it to be useful indicator of likely user concerns within the Cambridgeshire and Peterborough area.



The research presented above shows most of all bus users want a frequent, reliable bus service traveling to a wide range of destinations. This is consistent with research completed in 2023 by CPCA, referenced in paragraph 7.39, showing users within CPCA want to see an increase in services along with quicker more reliable journey times. In addition, we note the CPCA research emphasises on the provision of more rural services and better integration – these were not criteria assessed in Transport Focus’s research. These are the key factors Cambridgeshire and Peterborough should focus on when addressing both bus satisfaction and bus usership across the combined authorities. If buses are dependable and timely, bus usership has a better chance of increasing.

S3: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A3: The consultation focuses on a largely theoretical model of franchising compared with a largely theoretical model of an enhanced partnership. Neither has been closely defined in terms of what it is expected to deliver, given the wide range of scenarios explored, and the high levels of uncertainty surrounding them. It is up to the current and future Mayors to determine the degree of priority to give to improving bus services and it is up to the various funding bodies to determine how much support to offer. Additionally, what the bus operators are prepared to offer under an enhanced partnership is not yet known. As a result, it has been difficult for us to make a full and proper assessment of value for money on both Franchising and Enhanced Partnerships.

From Transport Focus’s perspective the key challenge is whether the CPCA’s proposal reflects the needs and priorities of both existing and potential passengers. The closer that the specifications and targets reflect people’s needs, the better the chance that they will deliver the type of services that people want and value and will draw in new users to grow the market.

S4: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A4: We note that the assessment states that the Franchising model offers the Combined Authority advantages over an Enhanced Partnership. We also note that franchising will give the Combined Authority more control over the design and implementation of the bus network, ensuring that benefits from investment and enhancement target those who are likely to gain most. Whichever option is chosen Transport Focus would be interested to

understand how CPCA plans to minimise any disruption to bus users whilst negotiations and changes to the network are being carried out. How would users be informed of any potential changes, and would they have the opportunity to be consulted on specific changes to routes and pricing?

We note that rather than controlling and managing all aspects and assuming all risks, the CA will look to share responsibilities and risks with operators, working collaboratively to define and design provision and incentivising operators to increase usage and benefit from increasing revenue. This appears to be pragmatic, although presumably will result in less control than would be the case if the model of franchising pursued by the other combined authorities had been adopted.

We note that, under the proposal, operators would continue to be responsible for the provision of buses and depots, with the Combined Authority providing some additional depot capacity. We hope that such an approach will encourage competition, will not present a barrier to entry to new market entrants and will thus present a challenge to the current market dominance of Stagecoach East.

S5: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A5: As referenced within the consultation document, improving local bus services will require an increase in funding in order to grow and improve services. Transport Focus would like to understand what contingency plans are in place if the revenue stream from ridership or funding does not increase in line with increased costs. How does CPCA plan to intervene if a gap in funding is created? Have methods such as promotional activities been considered?

Additionally, the document outlines the combined authorities' ambition to double bus usership by 2030 as part of the bus strategy. An increase in bus ridership is something that Transport Focus welcomes and is a bold ambition, if somewhat surprising. We note that the other mayoral combined authorities who have consulted on franchising proposals have all forecast a decline in patronage, based on long-term historic trends and other factors. This generates some questions from Transport Focus' perspective:

A) What plans are in place to ensure new riders will not affect the level of service and satisfaction to existing users?

B) From a financial perspective, it is assumed that CPCA will see an increase in revenue as a result of the expected increase in ridership. Are there plans in place in the event that this increase in revenue does not arise? How will this affect the user experience?

Having said that, based on the Assessment, we believe one of the 'tests' for the future model is how well it copes with a drop in revenue and its ability to maintain investment and subsidies. To this end it could be argued that the franchising model, with its wider resources and sources of funding, does offer a larger 'safety net' at such time and as a result offers more stability for passengers. In saying this we are talking from a purely passenger perspective – we acknowledge that the risks from a taxpayer perspective are different.

S6: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A6: Under both franchising and enhanced partnerships, it is stated that CPCA would manage customer relations, 'managing the relationship with customers, receiving feedback and engagement with them to improve customer experience.' We note that paragraph 7.193 promises to undertake an initial consultation within 24 months of entering into the first contracts looking at how well the scheme is operating. Transport Focus welcomes this. We have a diverse range of expertise in this area and would be happy to discuss with CPCA on how to best engage with bus users.

Within this plan, it also states that additional capacity and capability will be required. Transport Focus welcomes increased efforts to improve relationships with bus users.

Trust is an important concept in any business as it can bring loyalty and repeat purchase. Transport is no exception. In a piece of national research carried out in 2015, we asked passengers about their relationship with their bus company and how much they trusted them.

The research found that building a relationship with passengers has both a rational and an emotional element. At the rational level it means running the buses on time, being reliable, coping with disruption, resolving problems and offering value for money. Service delivery (in other words delivering the essentials) is at the heart of this rational element. The better the operator runs the service, the higher the levels of trust generated. Being unreliable or inconsistent has a large detrimental impact on levels of trust.

However, it is the more emotionally engaging factors that build real affinity. This includes things like staff going the extra mile, and feeling like the company really does care what happens to you.

We found that bus travel at present is more focussed on the rational elements. There are currently few, if any, emotional benefits experienced by passengers. This occurs for a variety of reasons – and underpins many of our conclusions above:

- Under ‘business as usual’ conditions bus companies show little desire to interact with passengers. Passengers believe that bus companies are not particularly interested in their views on the service – they make themselves remote and aloof. There seems no dialogue at the corporate level, no way to have a conversation (whether complaining or not) and a general view that complaints get ‘fobbed off’.
- Passengers have little understanding about how their bus services are determined and want their views to carry more weight in local decision-making. They feel that more should be done to consult them and their representatives.
- When things don’t go to plan, bus companies don’t communicate particularly well, either while on the bus or for passengers at the stop. The ‘radio silence’ approach leaves passengers unable to assess the alternatives, update work/family on amended arrival times and not feeling in control of the situation.

To this end we believe it important that the proposal contains an engagement strategy setting out how CPCA will engage with passengers and how they will use the information gathered through this. This engagement would include:

- Gathering passenger satisfaction data
- Consulting on changes to timetables and routes
- Providing performance data. Our research in 2014 found that passengers should have access to information about the performance of their bus services and to key actions being taken by operators and local authorities to improve this. The research indicates that publishing this information is regarded as a right in principle and is good for trust because ‘it helps keeps the industry honest’. This was the case even if individuals had little personal appetite in seeking it out – the fact that others are looking at it can often be enough.
- A good complaints handling system. To that end we would be interested to see:
 - what assessment have you done of the performance of the bus operators in complaints handling?
 - what do you see as the advantages of taking over complaints handling and what would be the challenges?
 - how would appeals be handled?
 - how would you analyse and use complaints data to improve services?

S7: The Combined Authority’s draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A7: Transport Focus has undertaken national research on the effect of disabilities of bus users. Our findings show one roughly one fifth of passengers said they had a disability. The prevalence of disability increases with age; mental health had a high proportion within middle age and younger people. People with disabilities need greater support when accessing transport networks. Our 'Your Bus Survey' found that those with a disability are generally less satisfied. Key points from their experience were;

- Greater dissatisfaction with the smoothness of ride and personal safety and security
- More concern about other passengers' behaviour – particularly the younger age groups and in peak travel hours.
- Passengers' comments also highlight the importance of, allowing time to get a seat, lowering access ramps, seats for disabled travelling being used by other passengers.

Many of the above concerns can be addressed by the actions of bus drivers across Cambridgeshire and Peterborough. In recent years the role of the driver has become even more prominent. Challenges to retain and recruit in areas has been a significant challenge for the industry. In turn the shortage of drivers, at times, has impacted on the reliability of services for passengers. Effective recruitment and retention of drivers will be essential to support effective service delivery. The bus driver must also consider the comfort and safety of diverse groups of passengers, who may have a variety of needs. And while many passengers may have limited interaction with drivers, they do observe how drivers handle requests for such help from fellow passengers. The role of the driver is often under the microscope and noted by passengers. Our research shows differences in satisfaction levels for passengers with a disability that for some is markedly lower. To improve this, there must be a focus on support and training for drivers, particularly for passengers with a seen or unseen disability.

Staff travel training for disabled people is noted within both the franchising and enhanced partnership models. Transport Focus would like to see clarification on the driver training that would be rolled out or suggested to bus companies How would this driver training direct help to improve the journeys of disabled users across the bus network system throughout CPCA?

Additionally, Transport Focus would be interested to learn what further work CPCA are planning to undertake to develop your Equality Impact Assessment (EQIA) and to test your initial judgements. Action to make bus services more accessible should be closely defined.

S8: To what extent do you support or oppose the introduction of the proposed Franchising Scheme?

A8: Transport Focus is the independent passenger watchdog for travellers across the country, putting the interest of passengers at the heart of what we do. Our research has shown that key priorities for bus passengers are an affordable, frequent and reliable bus service. As a result, we support the structure that would best deliver bus passengers with an improved service across Cambridgeshire and Peterborough.

We believe that the proposal could have a transformative effect on local bus services in Cambridgeshire and Peterborough.

Franchising would seem to provide additional flexibility when specifying routes and times and through this help address 'gaps' in the network that impact on existing users and act as a barrier to new users. It would also seem to provide the most flexibility when it comes to providing a simplified and integrated fares and ticketing structure – another key passenger aspiration. The franchising proposal could also deliver benefits when it comes to customer experience – though we acknowledge that some of these could also be provided through the partnership options. The chief benefit of franchising in this regard would be the opportunity of setting a consistent set of standards across all routes and services. It could also facilitate a more unified real-time passenger information service.

We can see that franchising could help CPCA to meet at least some of your objectives, one change of interest would be the ability to including that of providing simplified ticketing and fares. Transport Focus does have concerns about the transition period and prospect for further network deterioration, which raises questions about how opportunities to support service provision and modal shift towards an attractive network that promotes growth can best be taken.

S9: Are there any changes that you think would improve the proposed Franchising Scheme?

A9: As mentioned above, Transport Focus would like to understand how CPCA will build engagement with passengers into future proposed changes to the bus network across Cambridgeshire and Peterborough. This would include changes such as: timetable updates and changes to bus routes.

Transport Focus has a strong knowledge base of evidence from passenger research which informs changes to the way the passenger experience of bus services is delivered. We would encourage both CPCA and bus operators to engage and consult with Transport Focus as part of any bidding process to maximise their customer related offer in their bids.

Additionally, Transport Focus would be interested to understand how bus users' views will be integrated into the design of new vehicles onto the network? What sorts of travelling groups would CPCA engage with in the development of plans? How would the view of disabled passengers be considered within the design and delivery of new vehicles to the network?

S10: Do you have any further comments?

A10: The proposed scheme has the potential to improve the bus journey experience, through new arrangements – and hence satisfaction for bus passengers, alongside making the bus network more attractive, driving up demand amongst current non-users. Transport Focus naturally welcomes these sorts of improvements across the network, if they can be realised.

In conclusion, we believe that there is much in the proposed scheme that aligns with the needs and aspirations for transport in Cambridgeshire and Peterborough Combined Authority area. It focuses on many of the outputs that matter to passengers. We would, however like to see more clarity about the key areas of performance, punctuality and reliability. The true acid test for the options and plans set out in the consultation document is to see if the policies implemented lead to an uptick in passenger numbers across the network.

Additionally, Transport Focus' research can help realise the potential benefits referenced. Our research has highlighted how local authorities can design their services to make buses easier to use as a form on transport for travellers, in turn increasing ridership. This research can be found in the Annexes below (Annex A). Passengers are clear and consistent with how they would like bus services to be improved; it is up to CPCA to deliver upon these asks.

ANNEXES (The below annexes relation to national research undertaken by Transport Focus, and do not relate specifically to Cambridgeshire and Peterborough).

Annex A

Making buses easier to use – Actions for bus passengers

People depend on buses to get them to place of work and education, to important appointments and to give them access to shops and leisure. Inadequate bus services can also act as a check on economic growth. However, our research^{1 2} shows they face a number of barriers, such as convenience and availability of services, frequency, reliability and cost. There are differences between areas and passenger types reflected in varying priorities³, however these issues deter passengers and pose challenges and opportunities for the industry.

Here we set out the actions for outcomes which could be delivered through partnerships or franchising, to address the barriers and provide motivation for encouraging greater bus use, alongside results from the Your Bus Journey survey⁴. Many would benefit from stability of funding to support attractive networks and stimulate growth in patronage through modal shift.

Joined-up network with good source of information.

Your Bus Journey 2023: 62% satisfaction with information about bus services in general; 81% satisfaction with journey time; 77% satisfaction with connections with other public transport

- Buses running more often than they do now, during daytime and evening, including weekends.
- Buses going to more destinations and direct buses to main destinations, making places that I want to visit available to me.
- Improved connections to other forms of transport, such as train stations, tram stops and ferry terminals and support for active travel with cycle hubs and good walking and wheeling routes to and from bus stops.
- Promote where bus routes run and check walking distance to stops meets acceptable standards.
- Provide a central source of information and raise awareness, to give more confidence about local bus routes, timetables, fares and tickets, using a range of channels including online apps and alternative non-digital formats.
- Stable network with a limited number of fixed change dates and good advance information.

More buses on time and more reliable

Your Bus Journey 2023: 72% satisfaction with punctuality; 69% satisfaction with waiting time; 57% satisfaction with reliability of bus services in general

- Action to improve punctuality and achieve targets, such as bus priority measures with enforcement and management of roadworks.
- Speed up journeys, so buses arrive more quickly to destinations.
- More reliable bus services, with fewer short-notice cancellations.

Better value for money

Your Bus Journey 2023: 67% satisfaction with value for money

- Affordable fares and ticketing, with better value for money from bus journeys
- Special fares and discounts for particular groups such as young people, jobseekers, families and groups
- Best fare guarantee to support travelling with confidence, with measures such as flat fares, tap-in tap-out, fare capping, tickets for travel on all local buses.

- Retain cash as an option and were paying by card on a 'pay as you go' basis brings benefits of fare capping; passengers should not be unfairly penalised for paying by cash.

Good waiting environment

Your Bus Journey 2023: 77% satisfaction with the bus stop overall; 72% satisfaction with information at the stop; 70% satisfaction with standard of maintenance; 73% satisfaction with personal safety at the stop.

- Better quality information at bus stops, with at least major stops and key corridors having next bus displays.
- Up to date timetable at every stop, fares and network connections maps at major stops
- Bus stop is accessible with facilities such as seating and shelter, particularly in areas exposed to severe weather and easier to walk or wheel to bus stops.
- Improve personal security, with effective safety design guidelines, including good standards of lighting and CCTV, particularly at major stops and hotspots.
- Measures and actions to deter anti-social behaviour and address any vandalism or graffiti.

Good on-board experience

Your Bus Journey 2023: 85% satisfaction with the driver; 81% satisfaction with personal security on the bus; 73% satisfaction with audio announcements; 76% satisfaction with electronic display

- Commitment to customer care training for bus drivers, boosting their skills and confidence to assist passengers.
- Accessible buses, with sufficient space for wheelchairs and buggies
- Provide alternative transport, such as a taxi, where wheelchair space in use
- Clean buses, with comfortable seats, sufficient time to get to your seat and good ventilation/heating.
- On-board audio visual next-stop announcements on every bus, with information about delays and diversions.
- Better on-board technology on all new buses, such as wi-fi and charging points.
- Measures and actions to deter anti-social behaviour on the bus, including CCTV on all buses.
- Communicating environmental credentials, especially around electric/hydrogen buses.

Building trust through better engagement and understanding the passenger experience

- Engagement and consultation with passengers and non-users – especially on significant changes to routes and frequencies, or fares, ticketing and information
- Measure passenger satisfaction, monitor passenger feedback and make corresponding improvements to services.
- Charter giving passengers rights to standards of service, with effective mechanisms for redress.
- Make performance information available to passengers.

26. Transport UK

Please find answers to the long questionnaire below.

What is the name of your business or organisation?

Transport UK

What is your position/title?

Head of Bus Franchising

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: "Surveys consistently suggest that the main issue for bus users is that their service should be reliable and dependable: non-users tend to have more widespread concerns. Since Transport UK has not seen any data in the Combined Authority's assessment relating to either bus punctuality or passenger satisfaction, and since the most recent Transport Focus survey of bus journey satisfaction (published in March 2024) excludes any data for Cambridge and Peterborough, it is difficult for us to give any comments on how well bus services are performing in the area in the eyes of passengers.

We do note that passenger trips p.a. fell from circa 33m in 2009/10 to circa 28m in 2019/20 [paragraph 7.45 of the consultation document] and have fallen further to circa 23m by 2023 [paragraph 7.136]. Even without researching trends in the local population or car ownership this decline suggests that bus service provision is not proving attractive. The reduction in passenger numbers has led to commercial operators deregistering services and the Combined Authority having to consider expenditure to secure replacements."

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: "Since the CA determined to commence an assessment of bus franchising (in 2019) it has become a requirement that local transport authorities either develop an Enhanced Partnership with bus operators or prepare a franchising business case: a 'do nothing' option is no longer available. As DfT guidance published on 9 September states, "the 'do nothing' option is no longer a deregulated market but rather an enhanced partnership'.

In principle, Transport UK favours introduction of bus franchising on the grounds that it provides a local authority with the degree of control over the network which is otherwise lacking in an enhanced partnership and the levers of control allow a local authority to react as necessary in the event that financial risks arise.

In practice, bus franchising may not be the correct solution for every local authority if, for example, the costs of managing bus franchising cannot be adequately funded or the proposed method of procuring franchising fails to achieve adequate competition. Transport UK has concerns in relation to the CA's proposed approach to the proposed lotting – i.e. the limited size of the opportunity – and the proposed approaches to vehicle assets, on-bus equipment and depots."

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: Transport UK believes that the two options identified for consideration are logical. Transport UK has considered whether 'Complimentary Franchising – working alongside an enhanced partnership' (as described in the DfT's guidance of 9 September 2024) might have been a possible option for consideration but, on balance, we cannot see how this might have been developed. In particular, failing to include the majority of services within scope of the proposed franchising scheme would mean that the CA would not have control over a segment of the market and would remain in the position of needing to achieve agreement with operators over fares and route planning for services within scope of an enhanced partnership.

L4: Do you have any comments on the Combined Authority’s overall objectives, as set out in the Strategic Case?

A4: "Transport UK’s main observation on the CA’s ultimate objective (of doubling bus passenger trips by 2030) is that it does not appear to be followed through in the other four business cases (economic, commercial, financial and management). The remaining business cases appear to show passenger trips p.a. by bus topping out at just under 25m in 2043 compared with the low of circa 20m trips in 2023 (paragraph 7.136). So, while the CA’s objective to double bus passenger trips is admirable, the detail of how to achieve the objective appears to be missing.

The Economic Case does confirm that investment to increase the frequency of routes fails to recover the additional bus operating cost in fares revenue (paragraph 3.77 of the full assessment). Likewise, reducing fares does not achieve sufficient passenger growth to off-set the lost fare revenue.

To put things in context, if the CA’s objective of doubling bus passenger trips by 2030 is to be achieved, it would appear that ‘other changes than simply those proposed alongside bus franchising’ must deliver 4-times as much passenger growth as the proposed bus franchising measures."

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: Transport UK agrees with the CA’s views in Table 7-8 and has no other comments on this question.

L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

A6: "As stated fully in our response to question 2, in principle Transport UK favours bus franchising but in practice we have serious concerns about whether the CA’s proposed approach to franchising (lotting and size of the opportunity; responsibility for assets and procurement) will result in a balance of ‘risks’ and ‘rewards’ necessary for interested parties to achieve internal authorisation to bid.

Also, as stated in our response to question 4, Transport UK notes that the impact of the proposed franchising scheme alone only appears to achieve one-fifth of the CA’s overall objective for bus passenger growth."

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: "Transport UK notes that the NPV and BCR for the franchising option both appear superior to the NPV and BCR for the Enhanced Partnership, based upon the wider economic benefits (including non-monetised benefits) which may be achieved through franchising.

To emphasise the importance of the wider economic benefits, seen only from the perspective of bus operating income and expenditure, table 5-13 in the full assessment shows that, cumulatively, over the 25-year assessment period up to 2054, the enhanced partnership option outperforms the franchising option by £234m (or, on average, nearly £10m p.a.).

Transport UK has no great knowledge of the economics of ‘wider economic benefits’ but the CA will perhaps need to reassure itself that the benefits, modelled in line with central government guidance, are appropriate for the local population."

L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: "In relation to the four objectives of achieving best value; achieving competition between operators; ensuring appropriate risk allocation; and ensuring practical and sustainable implementation, Transport UK believes that the objectives themselves are logical and sensible. However, as is shown in our responses to questions below, we have a concern that the proposed approach to franchising, especially the proposed size of franchise lots (see Question 12); the proposed approach to bus depots (see Question 14) and the proposed responsibility for

buses, on-bus equipment and future procurement of these assets (see Question 15) will not achieve these objectives.

In relation to the objective of “allowing the Combined Authority to manage the network effectively, including during times of disruption”, Transport UK can understand the CA's desire to improve upon the situation it describes in the last row of Table 7-14 (in paragraph 7.153). However, Transport UK believes that it would be helpful if the CA separated out its desire to ‘manage the network’ over the medium to long-term as opposed to short-term disruption. Transport UK believes that franchising allows the CA the ability to manage the network over the medium to long-term through appropriate ‘change-management’ contractual clauses while also ensuring operators remain primarily responsible for managing ‘on-the-day’ disruption and proposing remedial actions to the authority for any more general shorter-term disruptions which may impact service delivery and customer satisfaction."

L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

A9: "Transport UK agrees that the franchising scheme should cover the whole area within the CA boundary and – with the exception described in the next paragraph - that certain services will be excepted from the scheme (as described in paragraphs 7.158-7.160).

Transport UK would urge the CA to work with stakeholders on the Universal service operated under contract to the University of Cambridge to ensure that this high-profile service operates to the same high standards that will be defined by the CA and, if possible ensure inclusion of the service within the franchise lots. Such a move will simplify procurement and bidding as well as giving the potential to enlarge at franchise."

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: "Transport UK sees arguments for and against a phased approach to franchising over a 2-year period with two separate opportunities for operators to tender. In the view of Transport UK, the main benefit in phasing introduction of franchising will be for the CA to learn lessons from the first tender round and apply those lessons in the second round. This will require appropriate time to be built into the procurement programme. Additionally, the CA will need to undergo a transition from the current position to acting as the franchising authority.

Off-setting any benefit from the two separate tendering rounds is the fact that the CA is losing the potential for any economies of scale which could arise from a bidder winning more than one of the larger franchise opportunities. Transport UK holds the view that the potential economies of scale from one tender round might be significant: aside from bidders being able to share overhead costs across a larger franchise opportunity, bidders would only have to bid once (thus halving bid costs).

As outlined in our response to Question 12 below, Transport UK believes that the size of the proposed tender lots is likely to be too small to encourage the desired level of competition for franchises. As a result of this and the potential savings available to the CA from economies of scale, Transport UK is, on balance, in favour of only one opportunity for operators to tender, even if implementation dates for tender lots are spread somewhat (for example, by around 3 to 6 months apart).

In terms of the question of length of the proposed mobilisation period, Transport UK's response is built upon our belief that, in order to encourage effective competition for franchise tenders, the CA should revise its current proposed position on fleet strategy and associated on-bus equipment (see our response to Question 15 below) and provision of depots (see our response to Question 14). Since Transport UK believes that effective competition will only be generated by the CA providing depots for all four larger franchises and allowing bidders to introduce new vehicles for the franchises (in the absence of the CA proposing to acquire existing vehicles from incumbent operators) Transport UK believes the mobilisation period for contracts will need to reflect the ability of the CA to provide depot locations, (together with appropriate supporting infrastructure for operation of zero emission buses) and the ability of the bus manufacturing sector to build and supply buses. Provision of buses from manufacturers may require a lead time significantly greater than 8 months, perhaps closer to 12 months based on our current understanding but this will depend on other orders being placed at the same time.

If the CA were to revise its proposals so that it was to provide franchise operators with both depots and vehicle assets then Transport UK believes that mobilisation periods could be reduced (based on its experience of rail franchise mobilisation periods being 16 weeks)."

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: Transport UK agrees with CA's proposal that contracts will be initially awarded for periods of up to 7 or 8 years, with a potential to extend for a further 1 or 2 years based on good service performance. In recent years Transport for London has moved from 5-year contracts with the option to extend to 6- or 7-year contracts with a fixed 7-year contract as they have recognised that this mirrors the life cycle of vehicle batteries on EV buses, which are anticipated will require replacement after 7 or 8 years at significant cost.

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: "Transport UK has significant concerns in relation to point 7.163 in as much as lots ranging from 1 to 60 buses may not be large enough to encourage bids from operators from outside the CA region.

Our reasoning is that incumbent operators within the Authority or in neighbouring authorities already have existing local (or nearby) supervisory and management teams in place to attend to operational requirements and the contractual requirements to liaise closely with the CA during contract delivery. Incumbent and neighbouring operators can leverage economies of scale when bidding for contracts as small as 60 buses. Bidders from outside the area cannot. Also, incumbent operators are likely to be faced with significantly lower franchise mobilisation costs. Added together, local supervisory and management team costs and mobilisation costs may mean that bidders from outside the area could not envisage competing effectively for franchises as small as 60 buses.

Therefore, a lack of competition will result in lower quality bids with less innovation and put at risk the step change the CA desires.

Our comments here are only one of our significant concerns alongside our replies to question 14 (depots) and 15 (vehicles and on-bus equipment). Taken together, all three issues make up a considerable barrier to entry to the market."

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: NOT ANSWERED

L14: Do you have any comments on the approach to bus depots under Franchising?

A14: "Small and medium sized bus operators will make their own assessment of the 'risks' involved in bidding for a franchise compared with the 'rewards'. Small franchises involving only 1 bus (or more) might be attractive to a small or medium sized operator but only if bidding costs are proportionate, the procurement process is easy understand, contract terms – including payment timescales - appear reasonable and protection against stranded assets is provided.

Other Authorities have considered that it might be more appropriate to have different 'playing fields' to ensure competitions are attractive to both small/medium operators and large operators rather than trying to accommodate both within the same competition.

Transport UK has particular concern about the potential for stranded vehicle assets (including on-bus equipment) for franchise lots of 60-odd vehicles and cannot see that these concerns would necessarily be much reduced for a small or medium sized operator, except that the vehicle replacement strategy for a 1-bus contract should be relatively straightforward."

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: "In terms of fleet strategy and fleet acquisition for potential bidders such as ourselves, franchise fleets need to be intrinsically linked with franchises. In practice, we have no other locations to which buses can be cascaded once no longer required for a franchise or contract. In London we manage this by ensuring that vehicle leases are co-terminus with route contracts. In the large northern city regions which have either introduced or are proposing bus franchising they have removed the risk of stranded vehicle assets from bidders by adoption of a residual value mechanism for vehicles.

In relation to point 7.181 where the CA's proposal is for operators to deploy fleets of mixed age, "avoiding the need for excessive investment at the commencement of the contract", Transport UK's model of fleet acquisition (by leasing) avoids this issue in entirety. Consequently, if the Transport UK model of fleet acquisition was available – at least as an option within the franchising model – it would be unnecessary for a franchise bidder to deploy a fleet of mixed age.

If the CA was proposing franchises where, in the main, bidders would be expected to introduce vehicles at the start and use them throughout the franchise, with little requirement for renewal, replacement of cascading during the franchise, then Transport UK's fleet acquisition model would fit.

The absence of a residual value mechanism for vehicle assets within the CA's proposals has the consequence that frequent mid-franchise vehicle cascades would potentially be costly: Transport UK's relationships with lessors mean that it is able to lease vehicles for shorter periods – say 3 or 4 years – in London when necessary but this is unusual and is accompanied by additional cost. If a residual value mechanism was in place which encompassed vehicle leasing then bidders such as Transport UK would potentially be able to lease vehicles for their full working lives, knowing that the assets would be deployed in the CA until life expired.

To summarise on fleet strategy and fleet acquisition: Transport UK has no concern in acquiring vehicles (which it would do by leasing, not purchasing) but it would need the CA to revise its fleet strategy so that the risk of stranded vehicle assets at the end of the franchise was removed.

In relation to on-bus equipment, Transport UK takes the view that much of the equipment is ideally viewed as being 'part of the bus'. Driver and vehicle monitoring equipment, USB charging, on-bus audio-visual equipment and CCTV cameras would normally be specified as part of the vehicle build and, as such, Transport UK ideally sees that these items of equipment should be given the same protection from becoming 'stranded assets' at the end of a franchise.

The CA is no doubt aware that, in London, Transport for London own the ticket machine, automatic vehicle location equipment and driver communication equipment. Transport UK's preference, once again, is that the CA designs contracts for its proposed franchising which protect bidders from the risk of these assets being stranded at the end of a franchise. One way in which the CA could do this would be if it followed the Transport for London model in this area."

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: "Transport UK can see that the CA may wish to engage with incumbent operators and provide reassurance to local employee representatives. Beyond that, Transport UK believes it is ultimately a matter of legal interpretation as to whether individuals are 'in scope' of TUPE regulations. The 'rights' associated with the regulations belong to individual employees, not employers or the CA.

One of the reasons Transport UK does not believe in franchise operators sharing depots is that it can make application of TUPE regulations more complex and burdensome."

L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: Transport UK agrees with the CA's proposed approach to consulting on the success of the Franchising Scheme.

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

A18: "Transport UK understands that the CA proposes that franchises would probably commence as gross cost contracts before evolving to minimum subsidy contracts. Transport UK also notes the assumption used in the assessment that operators profit margins might be expected to be around 7.5%. Further, a sensitivity test was conducted within the financial case to examine the impact if this rose to 12.5%: the impact was found to be manageable via an £18 rise in the precept.

Transport UK believes that, if some or all revenue risk is switched from the CA to operators then profit margin expectations will inevitably rise to accommodate this risk. Potentially profit margins will rise significantly above 12.5% depending on the view operators take of fares and the network being controlled by the CA. Contracts as long as 7 or 8 years also increase uncertainty for operators where they might be required to take responsibility for both costs and revenue."

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A19: "In terms of the CA's assessment of its ability to achieve its commercial objectives under Franchising, Transport UK agrees with the CA's conclusion that 'Public Sector Influence' should be capable of being delivered. We also accept that rating 'Ease of implementation' as 'amber' adequately reflects the workload for the CA.

For 'Best Value' and 'Competition between bus operators [for franchises]' Transport UK expresses elsewhere, in response to questions 12, 14 and 15 in particular, its concerns that these objectives may not be achieved due to the largest franchises (of circa 60 buses) being quite small; the proposed vehicle strategy failing to address concerns about stranded vehicle assets at the end of a contract; and the proposed vehicle acquisition strategy appearing to rule out bidders leasing vehicles rather than purchasing them.

Transport UK also takes a different view from the CA's assessment concerning the objective of 'Recovery and flexibility': Transport UK believes that franchising allows this objective to be achieved and that any challenges arising are in proportion to the challenge of any shock to the market, not the 'challenge of managing the franchise' which should be an ever present.

For the objective of 'Appropriate risk allocation' Transport UK believes that, because the CA has not addressed concerns about stranded vehicle assets at the end of the contract, this should be rated as 'red' rather than 'amber'."

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: "Transport UK agrees that the ability to achieve network enhancements in the EP option is severely constrained by the requirement to agree any enhancements with private sector operators who, in turn, are only likely to agree if they see benefit for themselves. Route changes to commercial services are therefore unlikely to be agreed if they are initiated by CPCA on purely 'social' grounds and/or on grounds which weaken the financial return earned by operators. Increased integration between public transport modes is also unlikely (on the grounds that private sector operators will see either potential loss of customers to alternative modes, additional running time and operational cost, or both).

For similar reasons, related to loss of commercial freedom, private sector operators are unlikely to give up freedom on fares and pricing and therefore, not deliver best value. In a nutshell, this sums up the difficulty of the EP option: it has potential, but the potential may never be successfully negotiated. By contrast, the Proposed Franchising Scheme gives CPCA full control.

We note that for the CA to achieve the commercial objectives through the provision of bus services under an EP that all of the commercial objectives are either rated 'amber' or 'red'.

To conclude on this question, Transport UK agrees with the summary presented in sections 7.199 – 7.225 that, although the EP scheme performs relatively well against the Policy Objectives, it performs less well than the

Franchising Delivery Option. Furthermore, it agrees that there is no doubt than an EP could facilitate some of the desired improvements. However, even an ambitious EP would not provide the CA with the level of control that Franchising provides and that in many ways an EP would still involve many of the challenges that exist in the current deregulated market."

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole network and there would be more reliance on negotiation with bus operators. Do you have any comments on this?

A21: Transport UK agrees that, while it would be easier for the CA to move to an Enhanced Partnership, outcomes are dependent on agreement with the local bus operators which might not be forthcoming. Transport UK also agrees with the CA's view that Franchising bus services in the region would give the CA the necessary tools to facilitate the level of change it seeks to achieve its strategic objectives.

L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: Although Transport UK has concerns about the ability of the CA to deliver adequate competition for franchises unless it addresses its proposed vehicle strategy (which puts bidders at risk of stranded assets at the end of a franchise); its vehicle acquisition strategy (which appears to rule out operators leasing vehicles co-terminus with franchise expiry dates) and the relatively small size of a 60-bus franchise, if these issues were addressed then Transport UK agrees that Franchising has a better prospect than an Enhanced Partnership of allowing the CA to meet its commercial objectives.

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: "Transport UK agrees that the Operating Costs described in the Financial Case, including capital costs (for construction of bus depots and bus priority infrastructure); Institutional costs (including professional fees, procurement costs, CA staff costs and 'System' costs) and Bus Operating Costs (in the case of the CA paying for operators to run franchises) are all relevant.

As already set out in our response to Question 4, Transport UK believes there may be a disconnect between the different Business Cases in the overall assessment. Where the Strategic Case sets an objective of doubling trips by bus, this is not carried through into either the Economic Case or the Financial Case. It is clearly stated that the Financial Case is based upon the assumptions in the Economic Case (so those elements are consistent) but modelling in the Economic Case suggests a growth in 5-yearly average bus trips p.a. of +19.5% in the period 2032-2037 (to 23.73m) from the 2023 figure of 19.86m.

In terms only of the financial performance of the modelled bus service network, Transport UK notes that the Enhanced Partnership option will generate an additional £232m of surplus compared with the Franchising option over the 25-year reference period to 2054 (see Table 5-13 at paragraph 5.54) and the CA will need to be aware of this in its financial planning if it concludes to proceed with franchising. The Economic Case makes clear that, when wider impacts on the economy are taken into account then the NPV and BCR ratios of franchising are both superior for franchising."

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: "Transport UK notes the potential sources of funding for bus services described in the assessment and, without detailed investigation as to the modelling, it is difficult to give detailed response. At the level of information available to us we believe a thorough procedure has been followed.

If further scrutiny was possible we would probably recommend focusing on the assumptions behind the largest figure first, namely the fare revenue income stream which represents more than 50% of the total income over the 25-year appraisal period. At the next level down we would look to confirm that, if different assumptions have

been made between the franchising option and the enhanced partnership model, we believed they were justified. A case in point might be the different passenger growth figures assumed (as confirmed in the Economic Case) from what has been described as “QIC’s Performance Improvement”.”

L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: "Transport UK agrees with the CA that franchising carries greater risk than an Enhanced Partnership – at least in terms of managing greater income and expenditure – but, as is noted in the assessment, franchising gives the CA the powers to organise change in the network as and when required should risks materialise.

We would also highlight again that the franchising option achieves superior NPV and BCR because of the inclusion of ‘wider economic benefits’ as opposed to the direct income and expenditure on bus service provision. As a result, the CA might wish to ensure it continues to capture and report upon the ‘wider economic benefits’ if it decides to proceed with franchising.

The sensitivity analysis conducted as part of the assessment demonstrates that the CA has considered the impact if assumptions made prove to be incorrect and the analysis suggests that the impact of any incorrect assumptions in financial modelling should be manageable."

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: Transport UK has one main comment on the CA’s requirement to increase its capacity and capability to manage bus service improvements. Noting that the additional requirement in the three years 2024-2026 of £5.06m (for franchising) compared with £0.9m (for an enhanced partnership) as set out in table 6-3 of the consultation document, Transport UK understands that this significant difference in cost – of £1.38m p.a. - is likely to be required while transitioning to franchising. However, the difference in CA staff costs to support franchising or an enhanced partnership is only shown as £285k p.a. (the difference between £885k and £600k p.a.) on an on-going basis, for 30 years, in the financial case within the full assessment at Table 5-10. Is it perhaps the case that the difference in CA staff costs on an on-going basis will actually be higher, particularly when fresh procurement is necessary at the end of franchises?

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: "Transport UK notes that, in Table 6-4, the CA sets out a timeline of commencing procurement of franchised services in May 2025 but, in paragraph 7.294 there is a statement that “Transition to a franchised network is programmed to deliver the first franchised services ‘in the first eight months’ and take about 3 years to complete”. This appears to imply that some franchised services may commence eight months after procurement, unless it is intended to mean that contract awards (followed by standstill periods) will be made in the ‘first eight months’?

Alternatively, Transport UK could perhaps understand if it was the intention of the CA to award a number of smaller contracts – perhaps 1-bus franchises – designed for SMEs to commence within eight months of procurement. But it would be useful to receive clarity on this point."

L28: The Combined Authority’s draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A28: No comments

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

A29: Tend to support. As detailed in our Executive Summary and our response to question 30 below, our interest is in larger franchises alone and the current proposed Franchising Scheme appears to be of low interest given (a) the small size of ‘large franchises’; (b) the risk of stranded vehicle assets and on-bus equipment arising from the proposed vehicle acquisition and replacement strategies and (c) the potential unfair advantage for incumbent operators in the proposed depot strategy.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: "As indicated already in our Executive Summary and our responses to questions 12, 14 and 15 in particular, Transport UK believes that, for larger franchises, the CA should seriously consider the issues of:

- at around 60-buses Transport UK considers that the size of large franchises is right at the ‘outer low limit’ of what is likely to be of interest based upon the cost of work required to engage, understand and then submit bids for tenders in comparison to the potential reward, especially given the increasing number of CAs expressing an interest in franchising, including opportunities of greater scale and potential reward;
- stranded vehicle assets and on-bus equipment assets (related to its vehicle acquisition and vehicle replacement strategies); an ‘equal playing field’ for all bidders in terms of depots (so operators should have access to depots for all proposed larger franchises, thus removing a significant barrier to entry; and
- the CA should reserve the right to compulsory purchase of incumbent larger depots if agreement cannot be achieved to acquire them so that incumbents are not handed an unfair advantage."

L31: Do you have any further comments?

A31: No.

27. Whippet

Please find answers to the long questionnaire below.

What is the name of your business or organisation?

Whippet

What is your position/title?

Jonathan Ziebart, Managing Director Ascendal UK

L1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: "Ascendal Group (under a previous brand) acquired the region's oldest bus operator – Whippet – in 2014 and now has a decade of operating experience within Cambridgeshire and Peterborough. The COVID period was particularly challenging for Whippet, however the decision to absorb significant losses on the basis of future growth potential has ensured a continued investment and support from Ascendal in the legacy business. We have always remained strong advocates for bus franchising – locally, nationally and internationally – as we believe it presents a solution to many of the issues facing local bus markets. Within Cambridgeshire and Peterborough, a number of the issues we have experienced on a daily basis include:

- Unpredictability of the road network. Reliability is currently not within bus operators' control and not where it needs to be to meet customer expectations.
- Unpredictability in traffic volumes sees bus operators building in more journey time than should otherwise be required. This results in slower journeys (which leads the bus 'product' to become unattractive), whilst increasing operational cost.
- Evening, Sunday and rural areas are not sufficiently supported financially to meet customer expectations. These uncommercially viable services result in residents finding other methods of travel, such as private car.
- The current real time information system provides poor and often inaccurate information, creating mistrust and causes for complaint among existing bus users.
- The existing system is perceived as disjointed; each operator has a different ticket range, age categories, ways to pay, website/app/information and vehicle standards. The lack of standardisation makes it more difficult for passengers.
- There exists no single source of good quality information about the region's bus services – it varies significantly amongst operators."

L2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: "At the moment, too much control is in the hands of private sector bus operators. With a focus on profit generation, bus passengers have suffered. In recent years, many operating contracts have been handed back to CPCA as a result of a lack of commercial business cases. Whilst Whippet has tried its best to support the delivery of services locally, stepping in to support the CPCA at key times, the current structure is not sustainable.

Status-quo is not an option; investment is needed in cross-network infrastructure (bus stops, information, RTI, bus priority) alongside a strategic and joined up approach to network planning. This is not achievable when being led by private operators.

At present, the CPCA's bus network is largely planned by individual operators, with limited intervention from the CPCA. Network change dates are determined by operators (acting in the best interests of their network/passengers/requirements) but not necessarily aligned with each other (or rail services).

Additionally, funding for bus services that are not otherwise economically sustainable is limited to evening/Sunday/rural buses. In parallel, profitable commercial routes are currently retained by operators, and not reinvested back into the network as a whole.

We strongly believe that a well-structured franchising model, bespoke for the local region, will rebalance these risks, rewards and challenges much better between the public and private sector, and result in successful bus reform. Levels of local competition will be increased, ensuring the best possible solutions from existing market incumbents, whilst also attracting new players and thinking to the market."

L3: The Strategic Case has identified two options under which buses might run - an Enhanced Partnership or Franchising. Are there other options you would have liked to have seen considered?

A3: As an international bus operator, Ascendal has experienced first-hand multiple different types of models to structure and operate bus services. Ranging from full private sector control through to public sector-operated bus services, we believe that a model which enables true collaboration between the private and public sectors is ideal. Each side brings different benefits and a model that encourages and facilitates the upside from both parties is preferable. We have found that bespoke franchising (or contracting) models, built for that specific local operating market, have the ability to achieve this balance of private sector greed vs. public sector good. However, this requires a proactive and well-resourced transport authority.

Ultimately, whichever avenue is pursued by CPCA, the team managing operators will need to be strong, objective-driven and willing to challenge the status-quo. This results in the best outcome. One best practice example of this can be found in Singapore, where the Land Transport Authority proactively monitors, reviews and engages with operators to ensure that a relevant set of KPIs are being achieved. Non-compliance or poor performance can result in the very realistic chance of losing a contract/franchise, which ensures that the operators guarantee top levels of performance. This further reinforces the benefits of the transport authority owning assets (buses, depots, etc.) as this enables franchises to be removed midway through the term of a contract, during cases of underperformance."

L4: Do you have any comments on the Combined Authority's overall objectives, as set out in the Strategic Case?

A4: "The Bus Strategy Objectives provide a good vision for where bus services need to be. They are ambitious but achievable and appropriate for Cambridgeshire and Peterborough. Many of these goals are not new concepts for the region, but private sector objectives have not necessarily aligned with achieving these. Public sector oversight is clearly needed to lead these changes, leveraging private sector operator support to achieve them.

Some of these goals will naturally be more difficult to achieve, and bus operators will not necessarily be best placed to lead on these as a result of different objectives. Standardisation of the network, from uniforms to ticketing provision, would be very difficult to achieve amongst the existing market operators. Having a transport authority consult, and make a decision on such matters, which operators would then be required to deploy, will ensure a more timely and better approach towards bus reform."

L5: Have you any comments on the potential impacts of either Franchising or an Enhanced Partnership on the achievement of the objectives of neighbouring authorities?

A5: Table 7-8 highlights that bus franchising would bring more potential benefits to neighbouring authorities than Enhanced Partnerships (e.g. ticketing reform would likely benefit cross-boundary travel). Furthermore, Service Permits are a proven concept and work well (e.g. in Hertfordshire, who manage bus registrations and have implemented a similar system for cross-boundary services). Ensuring the success of cross-boundary services ultimately comes back to a proactive transport authority, and both options will require the CPCA to have the relevant resources to deliver this.

L6: Do you have any comments on the impacts of introducing the proposed Franchising Scheme or the alternative of an Enhanced Partnership?

A6: "Bus reform, either through Franchising or Enhanced Partnerships, is needed. However, removing key decision-making processes from the private sector – who are motivated by profit – will enable more improvements for passengers, whilst better achieving CPCA's objectives.

As highlighted in 7.109, franchising would provide the ability to spread the profits made on highly commercial routes to cross-subsidise less profitable routes. The present situation, and the situation under an EP, would still enable some operators to make excessive margins on the best routes, whilst also seeking additional funding from the CPCA for non-commercial routes. Franchising would balance this out, and we remain supportive of the CPCA's plans to ensure operators retain some responsibilities, thereby optimising the benefits of the private sector (7.111).

In contrast, pursuing an EP structure would still enable private sector operators to hold significant control as to decision-making relating to the local bus network. Whilst all operators are likely to initially engage positively with the concept of EPs, once it becomes apparent that some decisions could cause detriment to their operation, support is likely to be withdrawn. With CPCA requiring the majority of bus operators to agree with key decisions for them to proceed, an EP scenario provides too much uncertainty in delivering timely and much-needed improvements to the bus network.

Bus franchising clearly enables a better transition towards bus reform. The Value for Money assessment supports this statement, demonstrating that more value is generated through Franchising than Enhanced Partnerships."

L7: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A7: The CPCA's economic appraisal highlighted that franchising offers better value for money than enhanced partnerships. From our extensive international experience, we would agree with this. Franchising would offer a far greater level of control to the CPCA, enabling its objectives to be the focus on a new bus system. This can be seen in Manchester, where Transport for Greater Manchester has made huge strides in achieving its objectives to the benefit of residents and passengers.

L8: The six commercial objectives set out above have been used to compare the performance of Franchising and an Enhanced Partnership. Do you have any comments on these objectives?

A8: Measures included in the objectives appear to be practicable (around easy of implementation and risk allocation) and recognise that Cambridgeshire has a number of existing operators – large and small – while potentially opens up the bus network to those from outside the area.

L9: Do you have any comments on the draft Franchising Scheme covering the entire Cambridgeshire and Peterborough Combined Authority area and including all bus services, apart from those excepted.

A9: "To deliver maximum benefit – growing patronage and enabling modal shift from car use – a whole network approach should be taken. It should be recognised that Cambridgeshire's bus network interacts with those of neighbouring counties, and residents should not much be concerned with where boundary lines are drawn on a map. The network will feature both bus links from Cambridgeshire to surrounding areas, and vice versa – and surrounding areas may have in place their own standards and requirements (e.g. around service change dates, ticket schemes) that Cambridgeshire's network must interact well with.

The list of service types to be excluded seems fair and right, with the exception of school services. There would likely be enormous benefit in including education transport services within the CPCA remit and integrating them to the bus network as a whole.

It should be recognised that some sector- or organisation-specific services are best managed outside of the CPCA franchising scheme, but must be considered for inclusion in ticket schemes, bus information systems and their place in the wider network.

Furthermore, the urban vs. rural composition of the Cambridgeshire and Peterborough region will present various challenges. Several of the incumbent SME operators perform particularly well at operating rural services, whereas larger operators are often better equipped to run urban services. We would recommend

individual operating contracts for Cambridge and Peterborough, which do not include large rural areas. Rural franchises should then be tendered separately as they operate differently to urban services. Ideally, CPCA should be in a position to use the higher revenues from the two urban franchises to cross-subsidise the rural franchises."

L10: Do you have any comments on the proposed timescale for introducing franchised bus services?

A10: "The CPCA's objective of doubling bus ridership and decreasing private car mileage by 15% is challenging. Significant work is needed to achieve this, and franchising will be the best method to success. However, the procurement process should not be rushed.

A quality tender process (from prequalification through to contract award) is needed to attract a decent number of quality bids, whilst ensuring operators have sufficient time to develop quality, sustainable bids.

A mobilisation period of at least 8 months is fairly realistic. However, where possible, we would suggest a 10 to 12-month mobilisation is considered when the operator is required to take over a new depot, or required to order brand new buses."

L11: Do you have any comments on the proposed duration of franchise contracts being for 7 or 8 years?

A11: "A longer contract length than currently awarded to local bus contracts in Cambridgeshire gives operators an assurance that investment in staff/leadership and vehicles (and associated infrastructure) is justified and makes commercial sense. Currently, there is little incentive to invest in brand-new, high specification and/or electric buses for local bus contracts because there is uncertainty around what future income will justify the expense being committed to.

A franchise system with contracts being 7 or 8 years has the potential to work well given typical life expectancy of vehicles – allowing them to be used on up to two franchise contracts.

We note the phrase "...up to 7 or 8 years..." however, and would seek clarification on what is meant by this. It is clear from the current contract system in Cambridgeshire that short-term contract awards (rolling one year, or 2 to 3 year) do not deliver best value for money or certainty for either bus passengers or operators.

Whippet's Universal contract with the University of Cambridge is in many ways like a small bus franchise. The 8 year contract period, plus up to 5 years of extensions, has enabled Whippet to make an investment in brand new battery electric buses, plus electrify our depot."

L12: Do you have any comments on the way the Combined Authority would approach procuring contracts, including the packaging of services into contract lots, under the proposed Franchising Scheme?

A12: "Cambridgeshire has a diverse mix of bus operators currently, both large and small, independent and those part of larger groups. This has the potential to add value to the service as a whole – operators each bringing a different approach, experience and type of operation. Providing any franchise contract award has stringent standards for operation – type of vehicle, driver training, performance standards – enabling a diverse mix of operators will ensure those businesses long-established in Cambridgeshire have as much a chance of being awarded franchise contract work as new operators to the area. It is noted and welcome that options to sub-contract routes between operators are included – giving both further support for existing SMEs and allowing operational resilience for the network as a whole.

Restrictions on the number of smaller contracts being awarded to larger operators is also welcome, however objective detail on how this would be measured is needed.

Furthermore, franchises of 1 or a small number of buses will still require a certain level of overhead to operate. Winning only one 1-bus contract would not be sustainable for any operator, even if combined with other non-local bus services.

There is awareness that the proposed tendering system will be very involved for CPCA to administer and a comprehensive, robust and experienced team of officers must be put in place in good time to ensure delays are not experienced.

Further, as mentioned in response to question 9, we would recommend packing urban services separately from rural services."

L13: Do you consider that the proposed way of introducing Franchising takes account of the needs of small and medium sized bus operators, such as in providing suitable contract opportunities?

A13: "The variety of contract lots (large to small – including single route lots – and ability for routes to be sub-contracted) should enable fair competition between all operators including SMEs already established in the county. However, franchises for only 1 bus are not sustainable for any operator.

Attention should be given to the tender requirements for medium and smaller lots, to ensure the pre-qualification requirements are appropriate for volume and value of work being tendered. One criticism of franchised networks elsewhere is that too much resource was needed (both time and financial) to qualify for bidding in the first place, which was a deterrent for SMEs.

In addition to prequalification requirements, bidding for such franchises can be overly onerous or expensive for SME operators. It is widely understood that some large operators spent over £1m each in pulling together their bids as part of TfGM's franchising process."

L14: Do you have any comments on the approach to bus depots under Franchising?

A14: "The provision of depots to operators is something we wholeheartedly support. It enables new entrants to enter the market, thereby increasing competition and driving up quality. Depot provision by the tendering authority is widely regarded as best practice in bus franchising.

It is recognised that the rural nature of Cambridgeshire means parts of the bus network will need to be operated from depots outside of Cambridge and Peterborough. We would request that CPCA actively work with operators looking to set up new, or expand existing, depots with planning processes and potentially funding. Having high-quality depot facilities bolsters the overall operation – having positive impacts on everything from vehicle maintenance to staff recruitment and retention."

L15: Do you have any comments about operators remaining responsible for buses and on-bus equipment under Franchising and future procurement?

A15: "We support the CPCA's approach to vehicle ownership – which allows flexibility to be built into contract bidding (using existing vehicles, which may be refurbished, as well as new vehicles on either a lease or purchase arrangement) providing the specification requirements are reasonable and practical. It also ensures that maintenance and compliance remain solely with the bus operator, which continues to ensure high standards of safety.

It should be noted that some operators will have a fleet operating in more than one county (or on routes that are excluded from the franchised network) and specifying features for inclusion on franchised routes may be impractical (and therefore lead to higher bid prices).

CPCA should ensure that before vehicle specification is fixed, consultation is carried out with passengers to ascertain exactly what is important and worth investment, and with operators to determine where investment is best used. It is not felt that value would be added from a single livery for all of Cambridgeshire's bus routes – but rather localised route or network branding should be used as appropriate. Prime examples of where this has been used to good effect include the Park & Ride network and The Busway corridor."

L16: If the proposed Franchising Scheme were implemented, it is possible that some operator employees may be transferred to another operator or potentially to the Combined Authority. Do you have any comments on this?

A16: "TUPE is a very common mechanism used in the bus industry when contracts are transferred from one operator to another, although there is uncertainty about how many staff may wish to transfer – there being other factors in where someone wishes to work. In such a substantial change to the structure of bus operations in the county, careful consideration must be given to staff recruitment (and not limited to drivers) to ensure successful mobilisation of a franchised network. In the early stages of franchising, operators may end up with part-

commercial and part-franchised operations, and therefore TUPE may not in itself provide the mechanism for the right number of staff to support this. It should also be recognised that many operators have multiple parts to their business including some that would sit outside of a franchised bus environment (including private hire, express coach, school or sightseeing routes – as well as depots outside the CPCA area); which again may mean staff chose to stay with one operator rather than transfer to another.

A significant and joined-up approach to recruitment is needed (see example from Manchester area), working with all operators, to ensure new staff are recruited and trained – and significant efforts need to be made to retain them long term (for example, providing suitable high-quality driver facilities on the network for breaks to be taken)."

L17: Do you have any comments on the proposed approach to consulting on how well Franchising is operating?

A17: Periodic reviews of franchising will be required both to benchmark and monitor performance and pick up key learnings from the first implementation stages. We would prefer to see this done annually, depending on the proposed scale of the consultation and audience invited to take part in it.

L18: Do you have any comments on the sharing of risk and responsibilities between the Combined Authority and bus operators?

A18: "In principle this seems like the correct approach – the CPCA taking on responsibility for network-wide matters including information, performance monitoring, ticket products and planning – but significant resource will be needed to ensure this is implemented correctly and delivers the standards expected by passengers.

There are areas where bus operators and the CPCA will need to work together to deliver what is required – for example Real Time Information is a responsibility of operators (and connected to BODS, a legal requirement that sits with operators). No mention is given of customer services and who should have responsibility for this – which is as diverse as suggested improvements, complaints about punctuality and refund requests for tickets."

L19: Do you have any comments on the above assessment regarding how Franchising would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A19: Recognition is noted that additional and significant resource will be required to implement and manage a franchised bus network in the county which is welcomed – this is a concern among operators. This is likely to be one of the key challenges that the Authority faces but also key to unlocking the wider success of a franchised network if introduced. The assessment of other areas appears to include a broad acknowledgement of how objectives will be met and the challenges faced; we have confidence that a full assessment has been carried out.

L20: Do you have any comments on the above assessment regarding how an EP would enable the Combined Authority to manage the bus network and achieve its commercial objectives?

A20: An EP would deliver some benefits over the current operating environment but becomes a negotiation between what operators can and are willing to commit and what the authority can and is willing to commit. While there are isolated examples of strong results from EPs elsewhere in the county, these are limited to localised- or corridor-based improvements rather than whole-network. In an EP environment, individual operators are able to choose not to be part of schemes and initiatives (e.g. ticketing, vehicle standards) which may undermine the overall impact of an EP.

There is also far less incentive to put capex investment (for example in vehicles or zero emission infrastructure) without the long-term assurance of income that should come with the award of an operating contract. Overall, we believe the ability to meet the commercial objectives is far more likely under a franchised environment in Cambridgeshire."

L21: The Commercial Case shows how both Franchising and Enhanced Partnership could deliver change and improvement. Under Franchising, the Combined Authority would have more control over the entire bus network. Under an Enhanced Partnership, the Combined Authority would not control the whole

network and there would be more reliance on negotiation with bus operators. Do you have any comments on this?

A21: "It is widely recognised that bus operators have experience of the current bus network and market, and there are examples where this is used to successfully continue to grow patronage. Whippet's three rural routes in Cambridgeshire continue to see year-on-year growth of over 30%, driven by a series of improvements to operational performance, enhanced information and data and initiatives such as tap-on, tap-off ticketing. Treated in isolation, this can be seen as a success – however there are many factors beyond the direct influence or control of bus operators (such as the Highways network, bus infrastructure and priority and full coordination with the bus network as a whole) that should improve under a franchised framework.

Bus services are largely run under a commercial model in Cambridgeshire, where operators need to see a clear return on their investment in order to continue operation and before growth or further investment can be justified. However, the bus network should be considered in a far greater sense than this – it being the mechanism that reduces social isolation, reduces congestion and improves air quality. A 'greater good' approach, with the CA having the ability to influence the network, should be taken rather than needing to negotiate this with bus operators and only being able to step in with short-term funding when an operator determines a route is no longer justified. Both Whippet and Ascendal are therefore strongly recommending bus franchising over enhanced partnerships."

L22: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A22: "It's clear that under a franchised environment, the CA would have greater influence on the bus network – how routes are integrated with one another, branding, information, frequencies. While the level of risk is acknowledged as being higher, the potential to achieve the commercial objectives is also higher and therefore franchising offers better value for money.

An EP would deliver some benefits – operators working alongside the CA with a defined set of objectives – but there is less opportunity for the CA to determine and influence the network as a whole; these decisions still largely sitting with bus operators who would still be taking largely commercially-led decisions."

L23: Investment costs anticipated by the Combined Authority in moving to Franchising or an Enhanced Partnership are set out in the Financial Case. Do you have any comments on these costs?

A23: "The financial case recognises that the CA needs to increase capacity and capability of staff, in order to effectively deliver a successful EP or franchised framework in Cambridgeshire. The cost is clearly higher under a franchised framework, particularly in the transition period, as the CA will then be taking on a far greater responsibility for planning, procurement and monitoring. In themselves, if well resourced, these have the potential to then deliver the commercial objectives that are desired. Paying well and getting the right resource to lead this process is key.

We would strongly encourage the CPCA to look at other funding options (e.g. Public Private Partnership model) for the two depots in Cambridge and Peterborough. This can remove the need for CAPEX, whilst providing the desired facilities for a slightly higher OPEX. Ascendal is happy to provide case studies as to how this can be achieved."

L24: Potential sources of funding for bus service improvements under Franchising or an EP are set out in the Financial Case. Do you have any comments on these?

A24: The potential sources of funding are sensible, and other potential funding pots might be available and should be explored. This is particularly the case when it comes to the two depots to be provided, which make up the majority of the CAPEX.

L25: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A25: The Combined Authority has set some ambitious targets which will be difficult to achieve. Franchising presents the best possible option for realistically achieving these objectives. Whilst risks remain higher, these can be offset by ensuring quality and robust resource is in place to successfully manage the transition to franchising. We would also recommend looking at other markets which have transitioned to franchising to look at lessons learnt (including Manchester, Channel Islands, Singapore, Perth and Sydney).

L26: The Combined Authority will need to increase its capacity and capability to manage bus service improvements, both in the case of Franchising or Enhanced Partnership. Have you got any comments on these plans?

A26: "Ascendal's extensive international experience of bus franchises have demonstrated that the most successful models are where a competent and strong team is in place, leading the franchise from the tendering authority. Effectively, CPCA needs to establish the rules and operating parameters for the franchises, and then police operators through proactive metrics to ensure compliance. Private sector operators will always be looking for ways to increase profitability and the CA will need to ensure that services are not negatively impacted as a result.

Given other regions across the UK will be pursuing bus franchising at a similar time, there will be a large shortage in suitable resource to support this process. Rather than utilising consultants who have no practical experience of running operations, we would suggest reaching out to identify resource that has been actively involved in delivering transformational bus services."

L27: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A27: The proposed structures appear to make sense. In either scenario, sufficient skilled resource is required to ensure proactive monitoring and management of the solution selected.

L28: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A28: With the CA having much greater control under a Franchising Scheme, we believe that this would best serve different groups with protected characteristics across the region.

L29: To what extent do you support or oppose the introduction of the proposed Franchising Scheme? Why do you think this?

A29: Strongly support.

L30: Are there any changes that you think would improve the proposed Franchising Scheme?

A30: Ascendal would like to request a meeting with the relevant people at the CPCA to present our international experiences in bus franchising. There are multiple different variations of franchising around the world, and there are a number of valuable lessons to be learnt. A lot of these relate to tender specification and evaluation, with critical importance placed on awarding contracts based on best value, not on lowest price.

The best way of achieving this is by having a separate in-house team who will develop a 'shadow bid', pulling together a realistic response to the final tender documentation, including pricing. This will enable the CA to evaluate external bids against the internal bid, discarding any strategically low-priced bids (which ultimately cost the authority more money if unsuccessful). Further case studies demonstrating this can be provided.

Furthermore, we would be keen to present a variety of different third-party funding models for depots, which might be interesting for the CA, lowering the total cost of financing if pursuing franchising."

L31: Do you have any further comments?

A31: NOT ANSWERED

28. Wittering, Wansford, Castor & Ailsworth Bus Campaign Group

Please find answers to the short questionnaire below.

What is the name of your business or organisation?

Wittering, Wansford, Castor & Ailsworth Bus Campaign Group

What is your position/title?

Campaign member

S1: Do you have any comments generally on how well bus services are currently performing in Cambridgeshire and Peterborough?

A1: "Rural transport throughout Peterborough is terrible- none of the services connect.

We are very grateful for the partially restored route through our villages (27) but it does not arrive early enough to get college children to college on time and is unsuitable for most people working to arrive early enough or get home after work as the service finishes at 5.

We need an hourly service (at least) to be able to access medical appointments, work or education."

S2: The Strategic Case says that reforming the bus market is the right thing to do to address the challenges facing the local bus market. Do you have any comments on this?

A2: We support any means that improves connective services throughout Peterborough and the neighbouring authorities.

S3: The Economic Case says that Franchising offers better value for money to the Combined Authority than an Enhanced Partnership. Do you have any comments on this?

A3: We were convinced by the presentation by the Combined Authority that this seems the best way forwards.

S4: The Commercial Case says that the Combined Authority would be better able to meet its commercial objectives (success factors) through Franchising compared to an Enhanced Partnership? Do you have any comments on this?

A4: We would hope that this process would enhance and improve existing services and that a franchise would not then decide to remove less profitable routes.

S5: The Financial Case says that Franchising carries more financial risk for the Combined Authority than an Enhanced Partnership, but offers greater control, resulting in greater benefits. Do you have any comments on the Combined Authority taking on this risk?

A5: Our opinion is that the risk would then become an asset - we would hope that the Combined Authority would continue to see funding from other sources including central government.

S6: The Management Case sets out how the Combined Authority would manage the bus network under Franchising or an Enhanced Partnership. Do you have any comments on these plans?

A6: "Anything that improves rural services and connected services - our hope is that any improvements would improve the lives of rural residents through access to essential services, education and enrichment.

In return this offers countryside pursuits to urban residents who currently cannot access many of the villages as there are no active travel facilities along the A1. There is currently no crossing from the west to the east for walkers, cyclists or horse riders.

Bikes and buses need to work together - currently only fold up bikes can be taken on some buses - this does not work for commuters or children."

S7: The Combined Authority's draft Equality Impact Assessment (EqIA) identifies the potential impacts of the proposed Franchising Scheme or Enhanced Partnership on people with protected characteristics. Do you have any comments on it?

A7: It is essential that the scheme works to ensure all can access all facilities, the services must work alongside call connect etc for those who still cannot access bus stops.

S8: To what extent do you support or oppose the introduction of the proposed Franchising Scheme?

A8: Strongly support.

S9: Are there any changes that you think would improve the proposed Franchising Scheme?

A9: Not at this time - we would be keen to support further discussions if anyone is interested in local knowledge and meeting the needs of specific communities.

S10: Do you have any further comments?

A10: We are desperate to avoid any further deterioration in current services but are looking for further enhancements to create a more equal access for all to urban/rural facilities.